



WINCHESTER
CATHEDRAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2023

The Cathedral Church of the
Holy Trinity, St Peter and St Paul,
and of St Swithun in Winchester

Registered Charity Number: 1202915

Annual Report and Financial Statements for the year to 31 March 2023

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I **Aims and Objectives**

Winchester Cathedral is the seat of the Bishop of Winchester and a centre of worship and mission. It provides a focus for the life and work of the Church of England in the Diocese, living the mission of Jesus and serving the common good.

Its charitable objects are—

- (a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;
- (b) to care for and conserve the fabric and structure of the Cathedral Church building; and
- (c) to advance any other charitable purposes which are ancillary to the furtherance of these.

Mission

To renew, inspire and unite people in faith, hope and love.

Our calling

To be a Christian community of worship, witness and welcome, rooted in Benedictine values and confident of growth.

To play a full part in the mission of the Diocese of Winchester and more widely to serve the whole Church of God in Christ Jesus.

To be a sign of the Kingdom of God, seeking in partnership with others the unity, peace and justice which is God's gift and will for the world.

To nurture Christian faith, hope and learning across the generations, using the abundant heritage of our tradition.

To be a diverse community in which people flourish in one body through collaboration, mutual respect and shared celebration.

To conserve and develop the buildings, contents and estates in our care.

To thrive and not just survive.

2 Chapter Report

In the year to March 2023, the Cathedral has resumed a full programme of services and events serving the local and regional communities and the Diocese of Winchester, while planning, working, and investing for recovery after the pandemic and implementing change in ways of working more effectively and efficiently. Along with many in our and related sectors, this has been a challenging time, including a high staff turn-over, price rises affecting our costs and inflation affecting pay awards. Nonetheless, significant progress has been made with considerable achievements.

The Cathedral rose to the challenge first of leading regional celebrations for the Platinum Jubilee of HM Queen Elizabeth II. Two joyful services were held, one for Youth organisations and one a more formal Civic occasion including a memorable parade of banners with images of the Queen throughout her life. Then, later in the year, the sad task of marking the ten-day mourning period and sharing the State Funeral on screens in the cathedral as live worship. Throughout the mourning period the great West Doors were thrown open to offer a 'radical welcome' to everyone, and the Cathedral bore the cost of the loss of the entrance fee in order to rise to the challenge of serving our wider regional community and meeting the need both to mourn loss and express gratitude. This was diversity and inclusion in action, an important theme of the year.

The 2021 Cathedrals Measure requires cathedrals to be overseen by both the Church Commissioners and the Charity Commission and the adoption of new Constitution and Statutes. This has been a demanding piece of work for Chapter. The Cathedral Council was duly dissolved. The Constitution and Statutes have been through public consultation and have now been accepted by the regulators. The new governance committees have been established and are at work. The Cathedral became a registered charity with the Charity Commission on 2 May 2023.

The Cathedral priorities and values as set out in *Vision and Calling* have continued to guide Chapter as it takes strategic decisions. The six Cathedral priorities remain unchanged under the three themes of Renew, Inspire and Unite:

Renew:

- welcome and work with more children, families and young adults.
- build a greener and sustainable future.

Inspire:

- deepen worship and refresh learning, enabled by digital transformation.
- enliven connection and creativity through heritage and the arts.

Unite:

- increase diversity and inclusion through wider, bolder engagement.
- promote justice and serve the common good.

This report sets out what has been achieved in 2022-23 and plans for 2023-24.

Renew

Growing Cathedral: Chapter seeks to support the advancement of the Christian religion and address the challenge of remaining compelling and relevant in its proclamation of the gospel. Chapter is addressing the challenge to widen and deepen its worship and activities and continually to become more inclusive and attract new worshippers, enquirers, volunteers and supporters drawn from all sections of society. Diversity and inclusion are gospel imperatives.

An encouraging new initiative took place in the Christmas Market when the Nativity Play ended on the stage in the Market, and the south doors of the cathedral were opened. The clergy and choir led a procession of actors and visitors from the Market into the cathedral and participated in a short, accessible service inside. This first experiment with engaging outside/inside was a great success.

Congregations have begun to return and, despite the sad loss of many older members during Covid, there is encouraging evidence of younger adults and families joining worship. Visitor numbers have made steady recovery, though more slowly than had been anticipated during the autumn, as is the case across the cathedral and cultural sectors.

During the year, a new part-time Cathedral Chaplain was recruited to work with the Canon Missioner in addressing the 'inward' life of the Cathedral, its pastoral care and the renewal of congregations and lay ministries including hospitality. This has greatly increased the capacity of the clergy team.

We are reviewing and renewing the Visitor Engagement strategy and developing a contemporary form of the ancient Benedictine tradition of welcome. Since feeling and being welcome is a key part of feeling and being safe, welcome has become a key part of our safeguarding training and awareness. 'Everyone Welcome' will be a key message for 2023/24 involving every member of staff, congregation and the volunteers team.

Green Cathedral: Chapter regards caring for the natural world as a mark of mission, based in tradition and scripture. This is having impact on the estate and on lifestyles.

During the year, a Church Commissioners grant towards an Estates Masterplan was awarded and work will be completed, following public consultations, during 2023/24. Informed by environmental considerations, a plan will be devised for the sustainable repair, conservation and continued use of our heritage to support the Cathedral mission. Fundable purposes will be found for redundant buildings. Action has been taken to implement the urgent aspects of a new Access Audit report and other outstanding matters will be scheduled into the Masterplan. A whole Cathedral and estates 'Green' plan is also being developed. Parts of the estate have been 'rewilded' to increase biodiversity. The Christmas Market waste was recycled. Green champions have been appointed and work is taking place to achieve the Gold standard Eco-church award including encouraging congregations and communities to amend lifestyles. There are many challenges for us if we are to achieve the C of E commitment for carbon-neutrality by 2030 but we are not deterred.

Inspire

Digital Cathedral: In the past year, the continued use of live streaming has enabled us to bring worship into the homes of our local congregations who are unable to join us physically and has also enabled the building up of a national and international congregation, some of whom then come here on pilgrimage. We respond to prayer requests from around the world. The clergy and virgers continue with regular training to improve the digital worship offer in order to grow congregations as well as participants and audiences in learning and events on-line.

Creative Cathedral: Contemporary art installations enable the Cathedral to connect with new audiences and evoke experience of awe and wonder. A programme of arts events and participation is being developed to enable the Cathedral to present coherent 'seasons' to bring rich connection with diverse ages and audiences.

A partnership with artist Peter Walker is enabling us to host regular 'Luxmuralis' immersive light shows filling the cathedral with sound and light. A piece commissioned for Winchester, 'Elements', was premiered here with great success in terms of new audiences and generating income. This also enabled sponsorship opportunities. The aim is to become a known participant and leader in the cultural life of Hampshire where audiences feel confident that they will experience unique and moving events in a safe and welcoming environment.

Plans for the developing annual cycle included a show of contemporary sculpture in May 2023 and will involve activities around Law Sunday in the Autumn.

Music is at the heart of the Cathedral worship and its cultural life. Winchester is a key supporter of the choral tradition of this nation. Chapter intends to nurture the excellence of the tradition, and also for this to be a springboard of mission and inclusion, reaching out to those children and adults who would like to have part of the experience. The Junior Choir has grown tremendously in the past year and there are now about 45 children on the roll. They and their parents were invited to take part in the Coronation Thanksgiving Service in May 2023.

The commitment to fund music has included a £1.1m organ restoration project begun in January, which is planned to complete in October 2023.

Unite

Our prayer for 'Unite' has much to do with increasing partnerships and maintaining good external relationships. It is also directed to unity of purpose as One Cathedral, internally, to lay foundations for effective growth and outreach for the future.

One Cathedral: involves a commitment to 'everyone matters' throughout the Cathedral congregation, volunteers, staff, and clergy. We seek to be a community of care and a place where everyone matters, and all are welcome and safe.

With new insights into staff management and retention there has been continued cultural change. Department heads are trained and empowered to manage their own teams and related budgets. Quarterly 'All staff' meetings are appreciated and include learning from feedback. 'Open Chapter' meetings continue to be held quarterly to enable members of the Cathedral roll to have open conversations with Chapter. Community Day, for shared learning with the congregations, resumed in June 2023.

Investment in staff and volunteer development and performance is demonstrated in new handbooks and strategies to be launched over the Summer in 2023. Attention is being paid to the recruitment of clergy, staff, and volunteers to reflect the make-up of our Hampshire community to include many who felt previously excluded.

Wider engagement

The Cathedral continues to respond faithfully to Ukraine, following the Russian invasion. A prayer station and collection for the DEC remains in place with prayers every Thursday evening. About 600 people attended 'An evening with Luke Harding', foreign correspondent in the Ukraine, in April 2023 with more joining through the live-stream facilities.

An ecumenical 'Rally for the Earth' was held at the end of Green Week in place of Choral Evensong at Harvest Festival. This involved a stunning 'Burning Bush' installation and an address by Prof. Robert Beckford from the University of Winchester.

The Cathedral clergy continue to offer pastoral and spiritual support to the wider community through short films, radio and written communication, sermons and articles written for the Hampshire Chronicle and the Diocesan mailing. The Dean continues to contribute to BBC Radio 2 Pause for Thought.

Careful attention to heritage and giving a voice to those who are not represented, and to our contested heritage, and this has been expressed in a series of thoughtful public seminars. A renewed understanding of the benefit of diversity led to wider cultural references in visual images used in sermons and marketing materials.

Role in the Diocese

Regarded by many as their 'Mother Church,' the Cathedral plays a vital role in the life of the Diocese by hosting Diocesan ordinations and confirmations, in the College of Canons, in support of the Diocesan Bishop and in the Dean's attendance at the Bishop's Senior team meetings. Without a Diocesan Bishop in post and during the uncertainties of this time, the Dean and Cathedral clergy and staff have sought to actively support the Acting Bishop of Winchester in her work of healing and uniting the Diocese in the interim before a new Diocesan Bishop is appointed. The Dean has been an active part of the discernment process to appoint a new Bishop. In addition, she has been engaged in visits to all of the 13 Deaneries in the Diocese this year. The Vice-Dean works for the Diocesan discernment panels choosing new clergy. All the clergy go to lead worship and preach in the parishes of the Diocese.

During this time, relations with the Diocesan leadership has strengthened and we look forward to wider and deeper engagement continuing as the new Bishop, the Very Reverend Philip Mounstephen, is appointed later in 2023.

Continuing financial recovery

Sustainability and financial surplus are sought in the financial and commercial life of the Cathedral. Chapter is keenly aware of the need to generate income in ways that enhance mission. Stewardship has been reviewed and a gentle campaign took place in early 2023. Luxmuralis, Netflix filming, and the Christmas Market contributed to income generation.

Looking into the next year, with costs increasing inexorably in an inflationary environment the ability to grow income is reduced. A whole Cathedral Plan is in final development, including business planning. Meanwhile, the café is benefitting from its renovation and we are looking to refurbish two properties for private rental.

Personal message

Chapter is profoundly grateful to the Cathedral staff team, congregation, and volunteers for their commitment to rising to all the challenges of the past year and to working together for recovery and growth. Built on foundations of faith and love we can look to the future with certain hope.

A handwritten signature in black ink, reading 'Catherine Ogle'. The script is fluid and cursive, with the first name 'Catherine' written in a larger, more prominent hand than the surname 'Ogle'.

Catherine Ogle

Dean of Winchester

7 September 2023

3 Structure, governance and management

3.1 The body corporate

The legal name of the Cathedral is: The Cathedral Church of the Holy Trinity, St Peter and St Paul, and of St Swithun in Winchester

Name commonly used: Winchester Cathedral

Registered Charity Number: 1202915

The Cathedral is an Ecclesiastical body and the Chapter forms its body corporate and members of Chapter are charity trustees.

3.2 Chapter Office

The Cathedral Office
9 The Close
Winchester
Hampshire SO23 9LS

Telephone: 01962 857200

E-mail: cathedral.office@winchester-cathedral.org.uk

Website: www.winchester-cathedral.org.uk

3.3 Governing Statute

The Cathedral is governed by the Cathedrals Measures of 1999 and 2021, the Constitution and Statutes that came into effect on 25 January 2023, replacing the previous documents which had been in effect from 19 April 2000 as amended on 17 February 2009, 10 December 2014 and 12 November 2020, and the Care of Cathedrals Measure 2011. A number of constitutional changes to the Cathedral were made under the Cathedrals Measure 2021, including the dissolution of Cathedral Council and the removal of the College of Canons from the body corporate. The changes culminated with the registration of the Cathedral as a charity with the Charity Commission on 2 May 2023.

3.4 Relationship with the Diocese of Winchester

The Bishop of Southampton, The Right Reverend Debbie Sellin is the Acting Bishop of Winchester.

The Cathedral is the formal 'seat' of the Bishop of Winchester, and he or she is the official Visitor. After consultation with the Chapter and subject to any provision in the Statutes, he or she may officiate in the Cathedral and use it in his/her work of teaching and mission, for ordinations and synods and for other Diocesan occasions and purposes. The Bishop is a valued friend and advisor to the Cathedral, which in turn seeks to support the Bishop's work of leading the Diocese in mission and ministry. Chapter members actively participate in the mission and ministry of the Diocese, Diocesan committees and working groups. The Dean serves on the Bishop's Staff and sat on the Vacancy-in-See Committee. The Bishop of Winchester is supported by two Suffragan Bishops – The Bishops of Basingstoke and Southampton.

3.5 The Cathedral Community

Membership of the Cathedral Community is open to all those who apply for membership and are aged sixteen years or more, who worship at the Cathedral, or who work or volunteer for the Cathedral. The Community meets twice a year.

The Cathedral has a forum called Open Chapter, which meets periodically. It met 3 times in the year to 31 March 2023. It has no formal powers but allows for open discussion of any issue of interest within the life of the Cathedral.

3.6 Chapter

The Chapter consists of the Dean, who acts as Chair, three Residentiary Canons and between five and eight non-executive Canons who are members recruited for their skills and expertise in specific areas of the Cathedral's life.

The Dean is appointed by the Crown. The three Residentiary Canons (Canon Chancellor, Canon Precentor and Canon Missioner) and the non-executive Canons were appointed by the Bishop with the agreement of the Dean in consultation with the Chapter. Under the new constitution, future non-executive members of Chapter will be appointed by Chapter following prior approval by the Bishop. One non-executive, the Senior Non-Executive Member, is appointed by the Bishop after consultation with Chapter.

Chapter is responsible for leadership, policy, strategy and vision of the Cathedral. It meets as required and, in the year to 31 March 2023, met six times for formal business and held one off-site strategy meeting.

Residentiary members of Chapter are responsible for different portfolios within the Cathedral's life – mission and social responsibility, pastoral care and spiritual development, learning and heritage, liturgy and music. These departments are supported by a range of committees and teams. Chapter delegates certain responsibilities for Cathedral administration, support services and resources to the Chief Operating Officer and Chief Finance Officer.

Members of Chapter during the year to 31 March 2023 were as follows:

The Dean	The Very Revd Catherine Ogle
Vice-Dean & Canon Chancellor	The Revd Dr Roland Riem
Canon Precentor & Sacrist	The Revd Andrew Trenier
Canon Missioner	The Revd Dr Tess Kuin-Lawton
Lay Canon (non-executive)	George Medd – Senior Non-Executive Member (retired 23 March 2023)
Lay Canon (non-executive)	Mark Byford –Senior Non-Executive Member with effect from 18 May 2023
Lay Canon (non-executive)	Jane Hands
Lay Canon (non-executive)	Alan Lovell (appointed 17 July 2022)
Canon (non-executive)	The Revd Professor Elizabeth Stuart (appointed 12 January 2023)

New members of Chapter are provided with key documents such as the Constitution and Statutes and links to the Cathedrals Measure 1999 and 2021, and Care of the Cathedrals Measure 2011. Informal discussions are used to brief them on their role and to help them understand the different aspects of the Cathedral's work. Where possible external training courses provided by the Association of English Cathedrals are used.

3.7 Officers of the Foundation

High Steward	His Grace The Duke of Wellington OBE DL
Counsellor	Jean Ritchie KC (from 5 February 2023)
Clerk at Law	Julian Hartwell

3.8 Cathedral Council

The Council was an advisory and consultative body, established to support the work of the Chapter and to ensure accountability to the wider community and Diocese. It provided a sounding board and guidance for Chapter as well as offering an informal 'watchdog' role to ensure that the Cathedral fulfilled its legal responsibilities. It also had a formal role in relation to amendments to the Cathedral's Constitution and Statutes. Under the Cathedrals Measure 2021, Council was dissolved on 25 January 2023 and its responsibilities subsumed into Chapter and the regulatory bodies. Until that time from 1 April 2022, members of the Cathedral Council were as follows:

- Miss Jean Ritchie QC (Chair) (Bishop's appointment)
- The Very Revd Catherine Ogle (ex officio)
- Major General Alastair Bruce of Crionaich OBE DL (Bishop's appointment)
- Mr David Evans
- Canon Jane Hands (Chapter appointment)
- The Revd Canon Howard Mellor (Bishop's appointment)
- Lady Louisa Portal MBE DL (Bishop's appointment)
- The Revd Canon Dr Roland Riem (Chapter appointment)
- Mr Martin Rudd (Bishop's appointment)
- Mr George Seligman (Bishop's appointment)
- Ms Natalie Shaw (elected by Cathedral community)
- The Revd Canon Charles Stewart (appointed by College of Canons)
- The Revd Canon Christine Dale (appointed by College of Canons) (appointed April 2022)
- Mr Paul Wing (elected by Cathedral community)
- Visitor:
 - The Rt Revd Debbie Sellin, Acting Bishop of Winchester
 - Mr Stephen Adam (Minutes Secretary)

3.9 College of Canons

The College consists of senior clergy and lay members from across the Diocese, appointed by the Bishop, along with a number of ecumenical canons who are representatives from other denominations. Its role is to ensure that the Cathedral is open to informed opinions, observations and comment from churches within and beyond the Diocese. The College comprises:

Visitor

The Rt Revd Debbie Sellin, Bishop of Southampton and acting Bishop of Winchester

The Chapter of Winchester

The Dean of Winchester, The Very Revd Catherine Ogle
Vice-Dean & Canon Chancellor, The Revd Canon Dr Roland Riem
Canon Missioner, The Revd Canon Dr Tess Kuin-Lawton
Canon Precentor, The Revd Canon Andrew Trenier
Canon Mark Byford
Canon Jane Hands
Canon Alan Lovell
Canon George Medd (until 23 March 2023)
The Revd Canon Professor Elizabeth Stuart

Dignitaries of the Diocese

The Bishop of Southampton, The Rt Revd Debbie Sellin
The Bishop of Basingstoke, The Rt Revd David Williams
The Dean of Guernsey, The Very Revd Tim Barker (until 2 September 2022 when the Deanery of Guernsey was transferred to the Diocese of Salisbury)
The Dean of Jersey, The Very Revd Mike Keirle (until 2 September 2022 when the Deanery of Jersey was transferred to the Diocese of Salisbury)
The Archdeacon of Winchester, The Venerable Richard Brand
The Rt Revd Canon Abbot Giles Hill OSB, Abbot of Alton

Other Canons

The Revd Canon Gary Philbrick (2009)
The Revd Canon Geoff Houghton (2011)
The Revd Canon Karen Mackinnon (2014)
The Revd Canon Howard Wright (2016)
The Revd Canon Andy McPherson (2016)
The Revd Canon Richard Harlow (2017)
The Revd Canon Peter Salisbury (2017)
The Revd Canon Brian Wakelin (2017)
The Revd Canon Christine Dale (2017)
The Revd Canon Fiona Gibbs (2017)
The Revd Canon Dr Erica Roberts (2020)
The Revd Canon Marion de Quidt (2020)
The Revd Canon Charles Stewart (2020)
The Revd Canon Linda Scard (2020)
The Revd Canon Mike Powis (2020)
The Revd Canon Dodie Marsden (2020)
The Revd Canon Mark Collinson (2021)
The Revd Canon Angi Nutt (2023)
The Revd Canon Andrew Micklefield (2023)
Canon Alison Evans (2023)
Canon Gary Carpenter (2023)
The Revd Canon Dr Francis Orr-Ewing (2018) – Canon Theologian

Ecumenical Canons

The Abbot of Fleury (2011)
Monsignor Canon Paul Townsend (2011)
The Revd Canon Dr Howard Mellor (2011)
The Revd Canon Dr Andrew Wood (2016)
The Revd Canon Billy Kennedy (2016)

3.10 Chapter Committees

In order to assist Chapter with its responsibilities, and to comply with the Cathedrals Measure 2021 and the Care of Cathedrals Measure 2011, it has established a number of committees, which are described in sections 3.11 to 3.14 below.

3.11 Nominations Committee

The Nominations Committee advises Chapter on:

- a) the recruitment and appointment of non-executive members of Chapter;
- b) the recruitment and appointment of members of committees of the Chapter; and
- c) the training needs of members of the Chapter.

It meets at least twice a year and additionally as required. It has at least three members, and its chair must be a non-executive member of Chapter. The members during the year to 31 March 2023 were:

Canon Mark Byford (Chair) (Chapter member)
The Dean of Winchester, The Very Revd Catherine Ogle (Chapter member)
Canon Jane Hands (Chapter member)

3.12 Finance and Investment Advisory Committee

The Finance and Investment Advisory Committee advises Chapter on the management of the financial assets of the Cathedral. It is responsible for:

- a) Monitoring and reviewing the overall financial strategies and financial policies of the Chapter;
- b) Exercising oversight of the financial procedures and delegations across the Cathedral;
- c) Reviewing the Chapter's draft budget and monitoring financial performance;
- d) Monitoring and reviewing the Cathedral's arrangements in relation to investments and investment properties; and
- e) Reviewing the Chapter's reserves policy.

The Committee meets four times a year and must have a minimum of four members, chaired by a non-executive member of Chapter. Its membership during the year to 31 March 2023 was::

Canon Alan Lovell (Chair) (Chapter member) (appointed 17 November 2022)

Mr Edmund Byers (resigned 17 November 2022)

Canon Mark Byford – Lay Canon (Chapter) (resigned 16 February 2023)

Mr Stephen Frost (resigned 16 February 2023)

Mr Christopher Nicholls (appointed 16 February 2023)

Mr James Nield (appointed 16 February 2023))

The Lord Poole

Mr John Pringle (resigned 25 January 2023)

The Revd Canon Dr Roland Riem (Chapter member) (resigned 25 January 2023)

Mr George Seligman (appointed 16 February 2023)

The Very Revd Catherine Ogle (The Dean) attends meetings but is not a member.

Canon Gary Carpenter (Chief Finance Officer) attends meetings but is not a member.

3.13 Audit and Risk Committee

The purpose of the newly constituted Audit and Risk Committee is to provide independent oversight of the Cathedral's systems of internal control, risk management and financial reporting, and supervision of the quality, independence and effectiveness of the external and internal auditors.

It meets three times a year and its first meeting was on 22 March 2023. It must have at least three members and be chaired by a person who is not a member of Chapter. The members since 22 March 2023 were:

Mr Stephen Frost (Chair)

Canon Mark Byford (Chapter member) (until 20 July 2023)

Ms Julie Mutton

Mr Christopher Sermon

The Revd Canon Professor Elizabeth Stuart (Chapter member)

The Very Revd Catherine Ogle (The Dean) attends meetings but is not a member.

Canon Gary Carpenter (Chief Finance Officer) attends meetings but is not a member.

3.14 Fabric Advisory Committee

The Fabric Advisory Committee is responsible, under the Care of Cathedrals Measure 2011, for:

- Advising Chapter on matters relating to the care, conservation and development of the cathedral;
- Determining applications to the Cathedrals Fabric Commission for England (CFCE) for approval of works specified in the Measure and considering and, if appropriate, approving other works that do not require CFCE's consent; and
- Compiling and maintaining an inventory.

In the year to 31 March 2023, it met 4 times. Its members throughout the year were:

Mr Antony Feltham-King (Chair)
Mr Paul Burridge
Mr Christopher Gordon
The Revd Canon Anna Macham
Dr John Nightingale
Dr Cordelia Rogerson
Professor Michael Wheeler
Professor Barbara Yorke

The following attend meetings but are not members:

The Very Revd Catherine Ogle – The Dean
Canon Alison Evans – Chief Operating Officer
Ms Charlotte Robinson, Cathedral Architect
Dr Chiz Harward, Cathedral Archaeologist

3.15 Winchester Cathedral Enterprises Limited – Board of Directors

Winchester Cathedral Enterprises Limited is a wholly-owned subsidiary of the Cathedral. It undertakes a range of commercial activities within and around the cathedral and in the Visitors Centre. All taxable profits are gifted to Chapter and details of its trading activities are summarised within the statement of consolidated financial activities and the notes to the accounts.

It is governed by an independent board which meets four times a year. The directors are appointed by Chapter. Its directors during the year to 31 March 2023 were:-

Mr Damien Carpanini (Chair)
The Revd Canon Dr Roland Riem (Chapter member)
Mr Robert Carr-Archer (resigned 5 May 2022)
Mr Rupert Ellwood
Canon Alison Evans
Mr Peter Hall (appointed 14 July 2022)
Mr Antony Stacey (appointed 1 December 2022)

3.16 Other key appointments

Chief Operating Officer	Canon Alison Evans
Chief Finance Officer	Canon Gary Carpenter
Cathedral Architect	Ms Charlotte Robinson BA(Hons) MPhil RIBA
Archaeologist	Dr Chiz Harward BA MCIfA
Director of Music	Mr Andrew Lumsden MA FRCO

3.17 Statutory Auditor

Amanda Francis
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

3.18 Other professional advisers

Bankers	National Westminster Bank plc High Street Winchester SO23 9AW
Occupational Health Adviser	Dr S Chapman Swift Medical Services, St Clements Partnership Tanner Street, Winchester SO23 8AP
Property Agents	Carter Jonas 9a Jewry Street Winchester SO23 8RZ
Solicitors	Godwins LLP 12 St Thomas Street Winchester SO23 9HF
Investment Managers	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA
Investment Managers	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ

3.19 Volunteers

Chapter is enormously grateful to the over 800 individuals who volunteer their time, energy and skills to enable the work and ministry of the Cathedral to continue. Volunteers are organized into sections which, at the date of this report, are led by the following individuals:

Annual Plant Sale	Patrick Green
Bell Ringers	Nick Bucknall
Broderers	Anna Diamond
Calligraphers/Scribes	Phillip Johnson
Cash Counters	Sally Ward
Cathedral Shop Assistants	Lois Bramley
Chalice Assistants	Daren Gibb
Chamber Choir	Joshua Stephens
Choir Chaperone	Choir Administrator
Community News	Roy Lillyman
Concert Programme Sellers	Sue Webb
Curator's Cataloguing Team	Eleanor Swire
Curator's Collection Care Team	Eleanor Swire
Dean Garnier Gardeners	Fran Carroll
Deanery Bookstall	Miranda Bennett
Eucharist Readers	Russell Brandon
Event Stewards	Sheena Crawford-Moody
Exhibition Steward	Anne Lovett

Family Welcomer	Susan Lindley
Flower Arrangers	Judith Hutchinson
Gardening Assistants	Patrick Green
Guides	Jeannie Berridge
Holy Dusters and Brass Band	Margaret Braddock
Hospitality Team	Judith Oakes
Information Desk	Brenda Fletcher
Learning Centre Assistants	Emma Bournier
Litter Pickers	Sue Morgan
Lunchtime Concert Organiser	Nick Salwey
Nave Choir	Joshua Stephens
Proof Readers	Sue Price
Reception	Rachel Sparkman
Servers	Anne Peebles Brown
Sidesmen	Martin Lane
St Christopher	Sarah Williams
Stone Mason	Head Stonemason
Sunday Morning Coffee	Judith Oakes
Taize Worship	Canon Andy Trenier
Tower Guides and Assistants	Matt Winter
Virgers Volunteers	Daren Gibb
Visitor Experience	Charlotte Walker-Watts
Visitor Intercessions Group	Audrey Constantine
Voluntary Chaplains	Canon Gary Philbrick
Wardrobe and Linen	Andrea Hall
Welcoming Stewards	Ken Staunton
Works Yard Handy Persons	Ben Leach

3.20 Other organisations associated with the work of the Cathedral

The Friends of Winchester Cathedral

The Friends of Winchester Cathedral is an independent network of supporters of the Cathedral. They continue to provide very substantial and welcome support both to the fabric of the Cathedral and to its environment, and in their generous support of the boys and girls who sing in the Cathedral choirs.

Winchester Cathedral Trust

Winchester Cathedral Trust is an independent charity set up to receive money raised from major appeals made on the Cathedral's behalf and to make grants in accordance with the terms of the Trust Deed to support the development of the Cathedral. The Trustees are drawn from across the region.

The Friends of the Dean Garnier Garden

The Friends of Dean Garnier Garden was established in 1994 to maintain the Garden, the fabric of which remains in the ownership of the Cathedral. The Dean Garnier Garden, formerly the Deanery Rose Garden, is available for the use of the community of Winchester and for all visitors to The Close.

Carl Klein Trust

The Carl Klein Trust is an independent charity that owns a dwelling dedicated for lay clerks and gives grants for the welfare of lay clerks. It sold one of its properties in the course of the year.

3.21 Investment powers

Under the Cathedrals Measure 1999, Chapter may invest the Cathedral's funds in any of the following: land; funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd; investments in which trustees may invest under the general power of investment in the Trustee Act 2000; the improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

3.22 Public Benefit

Chapter confirms that it has regard to public benefit guidance published by the Charity Commission under the Charities Act 2011 in determining the activities of the Cathedral. The Cathedral not only serves the community daily in its religious and charitable work, but is an active resource of national importance in the promotion of religion, music, education, history and architecture.

3.23 Fundraising

The Cathedral aims to achieve best practice in the way that it communicates with its community, supporters and visitors and act in accordance with Fundraising Regulator guidance. It takes care with the tone and accuracy of its communications to minimise pressure on supporters and to ensure that their data is protected. The Cathedral never sells data and never exchanges data other than with other departments of the Cathedral to enable services to be delivered. The Cathedral undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year ended 31 March 2023, the Cathedral received no complaints about its fundraising activities.

4 Risk Management

The Cathedral has in place internal control measures intended to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve its strategic objectives. The system of internal control is one where risks are identified, prioritised, managed and monitored.

The Cathedral maintains a Corporate Risk Register which is continually updated and formally reviewed by the Senior Executive Team on a cyclical basis, covering all sections at least annually. The Register is reviewed by the Audit and Risk Committee at its meetings and, twice a year, by Chapter. Each risk is assessed against its likelihood and potential impact to arrive at an overall Very Low, Low, Medium, High or Very High risk rating.

The principal areas of risk are as follows:

- Mission & Ministry
- Financial (including cash flow, capital fundraising, loss of income and cost management)
- People (including staffing, volunteers and safeguarding)
- Physical Impacts (including enforced closure due to external factors and significant physical damage to the cathedral or environs, and cyber risks)
- Reputation (including failure to maintain the Cathedral's reputation and standing and adverse media coverage)
- Corporate Governance (including non-compliance with legal requirements)

With regard to the items with a High risk rating:

- The safeguarding and protection of children and vulnerable adults is of primary concern for the Cathedral. There is a clear policy backed up by appropriate training and priority is given to safeguarding in operational planning. We continue to build upon the highly satisfactory results of the Social Care Institute for Excellence (SCIE) audit commissioned in 2021.
- Chapter sets the policy for Health & Safety issues (including fire safety) and delegates day to day operational control to the Facilities Manager while encouraging all staff and volunteers to play an active part in delivering a safe environment for all. Safety throughout the organisation is supported by Mentor and other professional bodies and reporting is undertaken on Mentor's online reporting system. The Facilities Manager reports results to the Chief Operating Officer on health and safety issues, and formally reports to Chapter annually with reports on specific items as required.
- The potential impact of a significant reduction in income (either by external factors such as terrorism or by loss of, or damage to, the Cathedral) is mitigated by seeking to increase the diversity of income streams and having Business Continuity Planning in place. This risk crystallised in 2020 and 2021 from the Covid pandemic and its impact was mitigated by strong cost control measures, the successful application for grants support and use of reserves. Although the effect of the pandemic has receded, the risks remain and continuing financial monitoring, including regular re-forecasting of financial results takes place.
- The reputation of the Cathedral is linked to the actions of staff and volunteers. The Cathedral's values of Kindness, Openness and Excellence are embedded through induction and training, there are established policies on expected behaviours and a published employee handbook. A volunteer

handbook has also recently been adopted. We exercise controls over who has contacts with the media.

- The climate change emergency has an impact on the Cathedral and its properties, and there may be substantial costs in minimising the carbon footprint of operating within our heritage buildings. In 2023, we are undertaking an Estates Masterplanning exercise, one outcome of which will be to determine the actions that should be undertaken. Meanwhile, action is being taken on avoiding and improving the recycling of waste.

5. Financial Review

5.1 Reserves Policy

Reserves are required to be held both to enable the completion of long-term projects and to maintain the level of the Cathedral's current activities in the event of a deterioration in its income.

Chapter has put aside sufficient funds in designated reserves for the completion of long term projects where appropriate.

Chapter, in learning from the experience of managing the Cathedral's finances through the pandemic, established a policy of holding sufficient reserves to cover six months' ordinary activity, as defined by reference to the following year's budgeted operating costs of the organisation including its wholly-owned subsidiary, excluding exceptional items. It is believed that this target remains appropriate.

The policy defines the available free reserves against which this target is measured to be total unrestricted and undesignated reserves of £3.16m (2022: £3.39m) less the fixed property and plant & equipment assets of £0.81m (2022: £0.66m) as they are not available for distribution or for use as working capital in the short term without damaging the Cathedral's ability to operate. A further adjustment of 30% of investments held is made to reflect possible loss of value upon liquidation.

By this definition, the Cathedral is short of its target level of reserves by £0.26m (2022: nil). Chapter will seek to ensure that reserves are re-built over the next three years, balancing the need to continue to hold adequate reserves with investment for growth in ministry and future income generation.

5.2 Investment policy - Endowment funds and total returns

The Church of England (Miscellaneous Provisions) Measure 2014 permitted cathedrals to adopt a 'total return' approach to investments within endowment funds. In the course of the year to 31 March 2021, Chapter resolved to apply this approach to the equity and bond investments within endowment funds but not to its investment properties which, being primarily within the Close, are not readily saleable and so not available for the general purposes of the Cathedral. This approach to investments leaves the original endowment in an Investment Fund and any subsequent revaluation gain and undistributed income in an Unapplied Total Return Fund.

The determination of the Investment Fund was estimated by reference to the cost of investments at 31 March 1995 plus additional endowments received thereafter. As at 31 March 2020, the amount of £3,143,000 was identified as applicable to the Investment Fund, which has remained unchanged thereafter.

The investment income and revaluation gains for the year have been credited to the Unapplied Total Return Fund. Capital values of investments have reduced in the current year reducing the cumulative gain achieved. Chapter has resolved to transfer an amount equal to the investment income to the General Fund to support the general activities of the Cathedral but to leave the cumulative gain in the Endowment Investment Fund.

5.3 Investment Policy

Chapter has the power to invest and to disinvest, subject to compliance with law and conditions attaching to the endowment and restricted funds. As noted in Section 3.12 above, Chapter has established the Finance and Investment Advisory Committee to advise it on the management of investments including:

- Monitoring and making recommendations on the Cathedral's arrangements in relation to investments, ensuring alignment with Chapter's long-term objectives and ethical policy.
- Monitoring performance of, and making recommendations in relation to the appointment and removal of, investment managers.

Investments are made to maximise financial return within the constraints of the ethical considerations and tolerance to risk described below.

The current investment objective is to achieve long term returns (measured by reference to 5 year moving averages) from income and capital growth together of 4% points per annum above inflation (as measured by CPIH) . This target applies to all investments other than cash deposits which aim to outperform the bank base rate.

A 'medium to low' risk profile is taken on equities. Following the adoption of the 'Total Return' approach to investments within endowment funds in 2021, the Cathedral is ambivalent between returns by way of capital gains and income.

Financial investments are made within pooled funds and individual investments in equities or bonds (other than its wholly-owned subsidiary) are avoided. The total portfolio is allocated between two investment managers with no more than 70% of the total portfolio with any one. At the year end, 68% (2022: 69%) of the investment portfolio was managed by Cazenove Capital Management Ltd and 32% (2022: 31%) by CCLA Investment Management Ltd.,

The Cathedral seeks to at least maintain the long term value in real terms of its core investments within the endowment, restricted and unrestricted funds. It regards itself as a long term investor and is prepared to accept short term volatility. It may seek to invest surplus cash balances for a shorter period if a cash requirement is foreseen in which case maintenance of capital is more important and surplus cash will be held in bank deposit accounts.

The Cathedral, in its stewardship of charitable funds, aims to achieve its required investment return within an ethical framework. Its investments are chosen according to a policy of Socially Responsible Investment. Whilst decisions on individual stocks are made by investment managers within pooled funds, the Cathedral seeks to ensure that investments in armaments, pornography, tobacco, alcohol, gambling, high interest rate lending, and activities causing high environmental damage, currently including extraction of thermal coal and production of oil from oil sands, are avoided. The current portfolio excludes investments in companies whose main activities include the extraction, production and refining of coal, oil and gas. Positive attention is given to using investments in minimising carbon emissions, renewable

energy, infrastructure and transmission and healthcare, provision of medicines, social housing and Social and Green Bonds. Attention is also paid to investee strategies on equality, well-being and fair wages. Investment managers are asked to report on their investment decisions in relation to these factors.

Investment managers are required, after 31 December 2023, to be signatories to the 2020 Stewardship Code established by the Financial Reporting Council. Up until then appointed investment managers must indicate progress towards compliance with the Stewardship Code.

Investments managed by Cazenove Capital Management Ltd are held within their Responsible Multi-Asset Fund which meets the ethical framework above. Responsible Multi-Asset Fund investments have a carbon footprint 74% lower than those in the global equity index (source: MSCI, weighted by their position size based on MSCI data). Attention is also paid to investee strategies on equality, well-being and fair wages providing a social benefit, as measured by SustainEx, an impact measurement tool created by Schroders. This shows a social benefit metric of +4.9%, compared with -4.6% in the global equities indices. Attention is paid to equity, bond and alternative holdings which are aligned to UN sustainable development goals.

Investments managed by CCLA Investment Management Ltd are managed in accordance with the guidance of the Church of England's Ethical Investment Advisory Group, engaging with the Church National Investing Bodies. This is consistent with the Cathedral's criteria. CCLA also take an active stance on proxy voting on corporate governance issues to protect shareholder value and address excessive remuneration. As at 31 March 2023, the carbon footprint of investee companies per million dollars invested was 8.2 tonnes compared with 147.0m tonnes for the MSCI World Index,

Investments in property are to be either capable of efficient local management or in the form of managed property funds. Performance is measured against income yield on the CBF Property Fund, the property fund managed by CCLA Investment Management Ltd on behalf of the Central Board of Finance of the Church of England.

5.4 Investment performance

Property Investments

Chapter owns property to house clergy and staff and to use for offices. Other property is held for investment purposes and is rented out on a commercial basis, where possible to generate funds for the day-to-day operation of the ministry of the Cathedral. Properties were revalued at market value on 31 March 2019, with subsequent interim valuations calculated by use of indices, the last on 31 March 2023. The net income for the year on investment properties is:

	2023	2022
	£000	£000
Rental income	614	645
Professional services	(10)	(11)
Repairs	(19)	(27)
Net income	585	607
<hr/>		
Yield on investment properties		
Capital value investment property (£000s)	18,598	19,771
Net income yield	3.1%	3.1%
 <i>CBF Property Fund income yield</i>	 4.4%	 4.6%

Our relatively low yield reflects the current vacancies in two residential properties due to long term refurbishment work being undertaken.

Other investments

The performance of the Cathedral's other investments is shown below:

	2023				2022
	Equity funds	Multi-Asset funds	Other funds	Total	Total
	£000	£000	£000	£000	£000
Gross income from other investments*					
Cazenove managed funds	-	262	-	262	254
CCLA managed funds	67	-	16	83	84
	67	262	16	345	338
(Losses)/gains on revaluation				(474)	484
Management fees				(59)	(67)
Net return on other investments				(188)	755
Market value of other investments				7,408	7,865
Return				(2.5%)	9.6%

During the financial year the investment portfolios returned -2.5% (2022: +9.6%) compared to the CPI+4.0% investment target which equated to +14.1% over the year. All asset classes underperformed inflation in the year.

A combination of factors resulted in a negative return on asset values in the year. Globally, this included central banks ratcheting up interest rates in response to inflationary pressures, and the invasion of the Ukraine and the resulting disruptions to energy and food markets. In the UK, stocks were devalued following the adverse reaction of financial markets to the government's budget in the Autumn. The disruption to the banking sector following the collapse of the Silicon Valley Bank caused values to dip sharply in March 2023.

Against this backdrop, the broad MSCI AC World Index ended down -1.0% in sterling terms, however, in local currency terms the fall was -7.4%, as weakness in GBP protected UK investors from the worst of the equity market falls. Bond markets also saw heavy selling with UK Government Bonds falling -16.3% and UK inflation linked bonds falling -26.7%.

Given the economic headwinds, the global economy has proved remarkably resilient this year and equity markets continue to price in a benign economic environment. However, there is downside risk of recession in developed markets as central banks remain focused on ensuring that inflation continues to fall. There could well be further volatility ahead in stock and bond markets as investors pare back current expectations for rate cuts.

5.5 Cathedral maintenance plan

Financial plans now look ahead for the next 3 years and are updated annually. The plans create a structure for development of all aspects of the Cathedral and provide the basis for ongoing, long-term stability and growth.

The last quinquennial survey (QQ) was completed in 2019 and is due for revision in 2023/24. In the last survey, the Quantity Surveyor and Cathedral Architect costed a 10-year programme of £9.3m, which is not shown as a liability in the accounts.

5.6 Five-year trends

Set out below are key financial indicators over the last five years:

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Cathedral Projects Income *	3,315	1,121	6	-	-
Other Income	3,590	3,318	3,635	3,848	4,200
Charges to visitors	776	853	232	708	900
Rental income	537	641	656	645	614
Investment income	348	379	312	338	345
Total income	8,566	6,312	4,841	5,339	6,059
WCEL trading profit / (loss)	603	427	(195)	222	536**
Cathedral repairs/upkeep	956	1,121	1,083	1,141	1,343
Cathedral Project Expenditure	2,944	1,031	62	42	2
Other expenditure on mission	1,798	1,822	1,661	1,714	1,933***
General Fund movement	190	109	18	590	(194)

Notes :

* Cathedral Projects Income was raised in a campaign to finance major projects such as the Kings and Scribes exhibition. This campaign has now ended.

** Value shown before charging a share of general overheads of £295,000 (Prior years: nil) and excludes capital grant of £300,000.

*** Excludes Organ Restoration Project costs of £293,000

5.7 Commentary on financial results for 2022/23

The value of overall funds reduced by just £12,000, after investment and property assets were revalued downwards by £729,000 comprising £474,000 reduction in listed investment values and £255,000 in our properties. Net income before investment (losses)/gains was £717,000.

Income in restricted funds of £1,598,000 exceeded related expenditure and outward transfers by £887,000.

Unrestricted funds reported a deficit of expenditure over income (before investment revaluation gains and losses) of £619,000 but, after the transfer of investment income of £281,000, before the £168,000 of expenditure on items funded by restricted funds and another £83,000 spent on items for which designated funds were put aside in prior years, the net deficit of unfunded expenditure over income was £87,000.

The year has seen further recovery from the effects of the Covid pandemic. We had 109,000 paying visitors, which is well up on 80,000 in 2021-22, although that is still not at volumes seen just before the pandemic with 113,000 visitors in 2019-20. However, this generated record visitor income of £900,000.

Commercial income

The trading subsidiary, Winchester Cathedral Enterprises Limited (WCEL), which operates many of the events including the Christmas Market, the retail shop and café in order to support the mission and ministry of the Cathedral, grew its trading profits (before grants received of £300,000) to over £500,000

before charging a share of general overheads. This reflects another successful Christmas Market as well as good shop and café performance. In order to reflect the amount of overhead that the commercial operations absorb, a charge of £295,000 was made by Chapter to the subsidiary so, although profits at £241,000 before grants appear to be only just higher than the prior year of £222,000, the underlying profits show substantial growth. This was achieved on turnover of £1,571,000 up 28% on 2022.

Voluntary income and grants receivable

We are enormously grateful for all the donations, grants and legacies that we have received. We are unable to name here all those who have supported us but we would like to record our thanks to them, whose generosity enables us to continue the ministry of the Cathedral and to care for our heritage assets.

During the year, we launched an appeal for funds for the restoration of the cathedral organ. This project is expected to cost £1.1m and be completed in 2023-24. £583,000 was raised in the year which, added to funds obtained in previous years, means that, at the year end, we were within £100,000 of the target necessary, an amount that we expect to raise in 2023-24.

Overall, grants of £1,504,000 (2022: £448,000) were received. Of this, grants of £166,000 were received from the Church Commissioners for the support of three members of clergy and a further £75,000 to support financial sustainability (2022: £235,000).

We are grateful for the continued support from the Friends of Winchester Cathedral from whom grants of £483,000 (2022: £108,000) were received in support of music including the Organ Restoration Project, the new cathedral chairs and the grounds. We also thank the Winchester Cathedral Trust for grants of £200,000 to support the Organ Restoration Project and the refurbishment of the café.

Donations and legacies of £799,000 (2022: £637,000) included £51,000 for the Organ Restoration Project with the balance representing a 17% increase on the previous year. We recorded legacy income this year of £86,000 (2022: £99,000).

Property and investment income

The financial returns are described at section 5.4 above.

Expenditure: Costs of generating funds

Although activity levels have increased, the main reason for the increase in costs of generating funds to £1,771,000 (2022: £1,574,000) is an apparent increase in investment property costs which saw an unusual credit adjustment last year. Outside of property costs, other costs increased by only £67,000 or 4%. Variable costs of sales at the shop, café and other trading activities were £1,035,000 (2022: £1,007,000) and marketing costs saw a small decrease to £301,000 (2022: £306,000) following higher website costs the previous year. We have invested further in our fundraising resources, increasing costs there by £29,000 to £145,000 in order to drive higher grants and donations.

Expenditure on charitable activities

After two years of tight budgets during the pandemic, discretionary expenditure was increased in 2022-23. The prior year included the release of a provision of £100,000 for the costs of refurbishing Cheney

Court so total costs of £3,571,000 compares with underlying costs of £2,997,000 in the previous year. This increase of £574,000 includes expenditure on the Organ Restoration Project of £293,000.

Other Services and Music costs increased by £125,000 with further investment in the choirs supported by the Friends of Winchester Cathedral and others, the commissioning of music by Joe Twist for £5,000, funded by a donation, and new vestments of £10,000, also funded by donations, for all of which we are very grateful.

The costs of upkeep of the cathedral and precinct were £202,000 higher at £1,343,000 which represents an increase of 18%.

Last year, we benefited from the recovery of VAT of £47,000 following a claim to calculate the partial recovery on a revised basis during the pandemic.

Unrestricted funds

Overall, we reported £277,000 reduction in unrestricted funds (2022: surplus £590,000) of which the General Fund shows a deficit after revaluations of £194,000 and designated funds a deficit of £83,000.

Designated funds

The expenditure of £83,000 from designated funds represents costs spent against monies previously set aside for a particular purpose. Most of this expenditure related to the costs preparing for the refurbishment of two residential properties in the estate.

We continue to carry forward funds related to this as well as the Organ Restoration Project, both of which are likely to be spent in 2023-24, and for care of our collections and to complete the Cathedral Projects.

Designated funds are described in note 16 to the accounts.

Restricted funds

We received £583,000 of funds for The Organ Restoration Project, of which we have spent £293,000 so far. We anticipate completing this £1.1m project in 2023-24.

Other specific donations and grants amounted to £1,015,000 and costs incurred were £543,000. In addition, capital expenditure of £588,000 was incurred, which will be amortised over the lives of the relevant assets.

Restricted funds are described in note 15 to the accounts.

6. Going Concern

Chapter has undertaken a review to determine whether the going concern assumption is an appropriate basis for the preparation of this year's accounts.

During the year to 31 March 2023, the Cathedral continued to recover from the effects of the Covid-19 pandemic and was pleased to see an increase in visitor numbers. Investment returns were negative and rental income was down 2% due to vacant periods primarily whilst refurbishment work was carried out. The Cathedral continues to be successful in applying for grants although voluntary income declined slightly. On the cost side, inflation has, and continues to have, a significant effect on costs but we have retained tight control of costs going into the new financial year; we have, however, allowed some investment in the estate largely funded by grants and money put aside for the purpose. In the event, the outcome of the year was to reduce our unrestricted reserves by £277,000.

The continuing recovery has increased confidence in the level of activity for the coming months. We have budgeted prudently and continue to operate tight financial controls including the production of rolling financial forecasts and cash flow projections. Chapter considered these forecasts extended until December 2024, reviewed the Cathedral's level of reserves and reflected upon contingency plans which may be required in the event of a shortfall of income or a sudden call for unexpected expenditure.

Chapter has concluded that there is a reasonable expectation that the Cathedral has, and will continue to have, adequate resources to operate for the foreseeable future and, accordingly, the accounts have been prepared on a going concern basis.

7. Audited Annual Financial Statements



AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2023

The Cathedral Church of the Holy Trinity,
St Peter and St Paul,
and of St Swithun in Winchester

Registered Charity number: 1202915

Statement of the Chapter's financial responsibilities

Chapter is responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires Chapter to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Cathedral, and of the Cathedral and its subsidiaries (the Group), and of the income and expenditure of the Group for that period.

In preparing these financial statements, Chapter is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with Financial Reporting Standard 102 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Cathedral and Group will continue in operation.

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Cathedral and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the Cathedral and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 42 of the attached financial statements and comply with Cathedral's Constitution and Statutes, applicable laws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

In so far as each member of Chapter is aware:

- there is no relevant audit information of which the Cathedral's auditor is unaware; and
- each member of Chapter has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Chapter is responsible for the maintenance and integrity of the Cathedral's financial information included on the Cathedral's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of the Chapter of Winchester Cathedral

Opinion

We have audited the accounts of Winchester Cathedral (the 'parent entity') and of Winchester Cathedral and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and parent entity balance sheets, the consolidated cash flow statement, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of affairs of the group and the parent entity as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Chapter's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the group or parent entity to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Chapter with respect to going concern are described in the relevant sections of this report.

Other information

The Chapter is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which we to report to you if, in our opinion:

- the information given in the annual report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent entity; or
- the parent entity's accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Chapter

As explained more fully in the statement of the Chapter's financial responsibilities, the Chapter is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Chapter determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Chapter is responsible for assessing the ability of the group and the parent entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chapter either intends to liquidate the group or the parent entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent entity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the parent entity, including the financial reporting framework, data protection legislation and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and a review of legal fees. We corroborated our enquiries through our review of Chapter and committee minutes;
- identified laws and regulations were communicated within the engagement team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the parent entity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- performed substantive testing of expenditure including testing the authorisation thereof;
- investigated the rationale behind significant or unusual transactions;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing accounts disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Chapter and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Chapter, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Chapter those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Winchester Cathedral and the Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 14 September 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are set out below.

Basis of preparation

These financial statements have been prepared for the year ended 31 March 2023 with comparative information given in respect to the year to 31 March 2022. The financial statements are presented in sterling and rounded to the nearest thousands pounds.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies or other notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Winchester Cathedral is a registered charity and constitutes a public benefit entity as defined by FRS 102.

Basis of consolidation

The group financial statements consolidate the financial statements of the Cathedral and its wholly owned subsidiaries, Winchester Cathedral Enterprises Limited and Winchester Cathedral Box Office Limited. Winchester Cathedral Box Office Limited was dormant throughout the period and was dissolved on 25 July 2023.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the Chapter to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- assessing the probability of receipt of legacy income and determining the amount to be recognised as income in the accounts;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment and non-investment properties;
- assessing the need for any provision against slow moving or obsolete stock;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- determining the value of designated funds needed at the year end to meet specific future expenditure;
- determining the amount to be transferred from Unapplied Income within the Endowment Fund to the General Fund;

- assessing the basis for the allocation of support costs; and
- estimating future income and expenditure flows and the going concern basis for preparing the financial statements.

Assessment of going concern

Chapter has undertaken a review to determine whether the going concern assumption is appropriate for this year's accounts. The results of this assessment are explained in Section 6 of the Annual Report.

Chapter has concluded that there is a reasonable expectation that the Cathedral has, and will continue to have, adequate resources to operate for the foreseeable future and, accordingly, the accounts have been prepared on a going concern basis.

Income recognition

Income is recognised in the period in which the Cathedral has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, grants, charges and fees arising in the course of charitable activities, income from trading and fundraising activities and investment income.

Donations (including income from offertory and similar collections) are recognised when the Cathedral has confirmation of both the amount and the settlement date. When donations are pledged but not received, the income is accrued for when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Cathedral is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Cathedral and it is probable that those conditions will be fulfilled within the reporting period.

When a third party pays for goods or services on behalf of the Cathedral the cost is shown as both a donation and expenditure in the statement of financial activities. Similarly, donated goods and services are valued on an arm's length basis and shown as income and either capital or revenue expenditure as appropriate. No monetary value is placed on the services provided by Cathedral volunteers.

Legacies are included in the statement of financial activities when the Cathedral is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and the fulfilment of any conditions attached to the legacy is wholly within the control of the Cathedral. Entitlement is taken as the earlier of the date on which the Cathedral is notified by the executor to the Cathedral that a distribution will be made and the date on which a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Cathedral has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Cathedral but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy.

Grants from government and other agencies have been included when receivable. Income is deferred when the Cathedral has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income from charges and fees arising in the course of charitable activities are recognised as and when the related goods or services are provided.

Income generated from the activities of the trading subsidiary comprises income from the Cathedral shop, catering and events such as the Christmas market. It is measured at the fair value of the consideration received or receivable, including discounts and rebates but excluding value added tax.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable; this is normally upon notification from the bank of the interest payable or paid.

Income from the rental of properties is recognised when the income is receivable under the lease document, when the amount can be measured reliably and it is probable such income will be received.

Income from the Coronavirus Job Retention Scheme has been credited to income when the Cathedral becomes entitled to the funding and when the amount receivable can be quantified.

All other income is credited to the statement of financial activities when the Cathedral becomes entitled to it, it is probable that it will be received and it can be quantified.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Cathedral to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure category. The classification between activities is as follows:

- Expenditure on raising funds comprises the costs incurred by the trading subsidiary, investment property management costs and the costs of attracting voluntary income.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Cathedral through the provision of charitable activities. Such costs include staff costs and other direct overheads attributable to those purposes. An analysis of the expenditure is provided in note 4.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary object of the Cathedral it is necessary to provide support in the form of administration and financial procedures, information technology, personnel and training support. Support costs are apportioned based on estimated time spent per category. Governance costs comprise costs of meeting the constitutional and statutory requirements of the

Cathedral and its subsidiary companies. Governance costs include audit fees and relevant expenditure relating to specific meetings and are included within support costs.

Investment and non-investment properties

Freehold properties are included on the balance sheet at existing use value. The exception to this is the Wessex Centre which, due to its use and nature, is valued at depreciated replacement cost. Properties are classed as investments or tangible fixed assets according to their use.

Properties are revalued on the basis of a full valuation at least every five years. In years with no full valuation, the Cathedral bases any valuation on the previous full valuation adjusted for an estimate of the average property price movement during the period to the balance sheet date.

As all of the properties are maintained in a state of repair such that their estimated residual value is not less than their carrying amount, and given the historic cost of the properties, the members of the Chapter consider that any depreciation charge would be immaterial. No charge has therefore been made in respect of depreciation on properties that are classed as fixed assets.

Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The capital value of the investments represents unrestricted, restricted and endowment funds. The realised and unrealised gains and losses on investments are allocated to the funds in the ratio of their market value at the beginning of the financial year.

The Cathedral operates a total return approach to the management of the listed investment portfolio representing the endowment fund. Using this approach, the Cathedral is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. The Cathedral is permitted to allocate from the unapplied total return element such sums as the Chapter considers appropriate provided that Chapter exercises their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. improve

The cathedral and its ancillary buildings

No value is attributed in these financial statements to the cathedral and its ancillary buildings and fixtures which are difficult to remove such as the organ on the basis that the buildings and their fixtures are of a unique historic nature and are held primarily for the mission of the Cathedral. The nature and construction of the buildings and fixtures are such that conventional valuation approaches lack sufficient reliability. The cost of providing a full

valuation would be significant and onerous compared with the benefit derived by users of the financial statements. A value is agreed for insurance purposes which represents the cost of restoration and repair in the event of a serious loss.

The cost of general repairs, restoration and maintenance of the cathedral and its ancillary buildings and the organ and other fixtures is recorded as expenditure through the statement of financial activities and charged to the general fund or restricted funds as appropriate.

Heritage assets and inventory

The Cathedral holds a number of heritage assets with historic and artistic value. These include:

- Medieval manuscripts, including the Winchester Bible, the largest and finest of all surviving 12th-century English bibles
- The Morley Library, a beautiful 17th-century collection of rare books bequeathed by Winchester's Bishop Morley
- Winchester Cathedral Archives
- Winchester Cathedral wall monuments
- Winchester Cathedral ledger stones and floor monuments
- Winchester Cathedral medieval wall paintings
- An Antony Gormley sculpture, Sound II
- Other artefacts, including the Shaftesbury Bowl, the only surviving example of late Saxon glass in England

The Chapter does not consider that reliable cost or valuation information can be obtained for items recorded in the inventory prepared under s24 of the Care of Cathedrals Measure 2011. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the financial statements.

Similarly, the Chapter considers that obtaining valuations for the books, manuscripts and artefacts and other heritage assets in its care would involve disproportionate cost compared with the benefit derived by users of the financial statements. Consequently no values are attributed to heritage assets in the balance sheet.

The Cathedral has a policy of retaining its heritage assets for the long term and cannot dispose of these assets without the agreement of the Cathedral Fabric Commission for England (CFCE)/Church Commissioners. Heritage items are generally acquired by donation.

Heritage assets acquired are not capitalised in the balance sheet. The Chapter considers that the inclusion of isolated assets would give the reader of the financial statements a false impression of the true value of heritage assets in its care.

Expenditure to preserve and maintain objects recorded in the inventory or held as heritage assets is recognised in the statement of financial activities in the year that the expenditure is incurred.

Other fixed assets

Items of plant, machinery, vehicles, office equipment, loose tools, furniture and fittings costing in excess of £2,000 are capitalised and depreciated at rates calculated to write off the original cost on a straight line basis over the expected useful lives of the assets concerned as follows:

- Capital equipment – 25%
- Fixtures and fittings – 20-33%
- Equipment – 20%
- Office refurbishment – 10%

Stock and work in progress

Stock and work-in-progress are valued at the lower of cost and net realisable value with provision being made for damaged, slow moving or obsolete stock.

As noted earlier, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, no value is attributed in the balance sheet to the Cathedral inventory which comprises items of architectural, archaeological, artistic or historic interest.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or that have a maturity of less than three months from the date of investment or acquisition. Deposits made for longer than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Cathedral anticipates it will pay to settle the debt.

Funds structure

Funds are divided between Endowment, Restricted and Unrestricted funds.

The Endowment Fund represents the Corporate Estate of the Chapter and cannot be expended, although it may be realised and reinvested in a different form. Also included is the capital of trust funds of which the Chapter are the trustees and which are for the benefit of the Cathedral.

The Cathedral's **permanent endowment funds** are set out in note 14 to the financial statements. They include the Fabric, Music and Staff Pension Fund investments of the previous Winchester Cathedral Appeal, and properties held within the Cathedral Close including the reserve arising on revaluation. Endowment funds comprise assets which normally must be held as capital and cannot be expended. The income therefrom may be used in accordance with the donor's wishes, if stipulated, or for general purposes.

The Cathedral has adopted a Total Return approach to its listed investments forming part of the permanent endowment funds. Income and gains arising on the listed investments in these endowment funds are accordingly transferred to an Unapplied Income Fund and are available to be released to the General Fund as required.

The **Restricted Funds** may only be applied for particular purposes. Details of these funds are set out in note 15.

The **Unrestricted Funds** are those which can be applied for any of the purposes for which the Cathedral was established. They comprise the General Fund and Designated Funds.

The **General Fund** is the main unrestricted fund through which all items of income and expenditure relating to the day-to-day running of the Cathedral are credited and charged.

Designated Funds: When appropriate the Chapter will set aside sums within unrestricted funds for certain specified purposes. These are termed "Designated Funds". If in due course they are not required for those purposes they may be transferred back to the General Fund.

Pensions

Chapter participates in the Church of England Defined Contributions Scheme, part of the Church Workers' Pension Scheme. New employees may enrol in this scheme. In addition, Chapter operates a Stakeholder Pension scheme with Aviva and also participates in the Church of England Defined Benefits Scheme (DBS), also part of the Church Workers' Pension Scheme, both of which schemes are now closed to new members. In respect of the Church of England Defined Benefits Scheme, it is not possible to identify the assets and liabilities that are attributable to the Cathedral and therefore the normal contributions to the scheme are recognised when payable. The present value of the expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

The pension costs represent the amount of the contributions payable to pension schemes in respect of the accounting period plus any adjustment required following the annual review of the liability for expected deficit recovery contributions.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Winchester Cathedral
Consolidated statement of financial activities
for the year to 31 March 2023

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	Note	2023 £000	2023 £000	2023 £000	2023 £000	2022 £000
Income from:						
Donations and legacies	1	590	209	-	799	637
Grants receivable	1	115	1,389	-	1,504	448
Charges and fees arising in the course of charitable activities	1	320	-	-	320	206
Trading activities	1	2,471	-	-	2,471	1,975
Investments	1	684	-	281	965	983
Total income		4,180	1,598	281	6,059	4,249
Expenditure on:						
Cost of generating funds	3	1,740	31	-	1,771	1,574
Charitable activities:						
Ministry	4	1,301	452	-	1,753	1,337
Cathedral and precincts upkeep	4	1,286	57	-	1,343	1,141
Education and outreach	4	170	3	-	173	166
Other expenditure	4	302	-	-	302	253
		3,059	512	-	3,571	2,897
Total expenditure	5	4,799	543	-	5,342	4,471
Net (expenditure) / income before investment (losses) / gains		(619)	1,055	281	717	(222)
Net (losses) / gains on investments:						
Properties	8	-	-	(131)	(131)	2,178
Listed and similar investments	9	(103)	-	(371)	(474)	493
Total net (losses) / gains on investments		(103)	-	(502)	(605)	2,671
Net (expenditure) / income before transfers		(722)	1,055	(221)	112	2,449
Total return transfer	14	281	-	(281)	-	-
Other transfers between funds	15	168	(168)	-	-	-
Net (expenditure) / income		(273)	887	(502)	112	2,449
Other recognised (losses) / gains:						
(Losses) / gains on the revaluation of non- investment properties	10	(4)	-	(120)	(124)	3,855
Net movement in funds		(277)	887	(622)	(12)	6,304
Reconciliation of funds:						
Total funds brought forward		4,822	3,211	48,008	56,041	49,737
Total funds carried forward		4,545	4,098	47,386	56,029	56,041

The notes on pages 47 to 67, and the accounting policies on pages 35 to 42 form part of these financial statements.

Winchester Cathedral
Consolidated balance sheet
as at 31 March 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Fixed assets						
Investment assets						
Property	8	84	-	18,514	18,598	19,771
Listed and similar investments	9	1,377	-	6,031	7,408	7,865
		<u>1,461</u>	<u>-</u>	<u>24,545</u>	<u>26,006</u>	<u>27,636</u>
Non-investment assets						
Property	10	527	1,240	22,841	24,608	24,187
Plant & equipment	11	280	565	-	845	129
		<u>807</u>	<u>1,805</u>	<u>22,841</u>	<u>25,453</u>	<u>24,316</u>
Total fixed assets		<u>2,268</u>	<u>1,805</u>	<u>47,386</u>	<u>51,459</u>	<u>51,952</u>
Current assets						
Stocks		79	-	-	79	58
Debtors	12	646	-	-	646	265
Cash at bank and in hand		2,018	2,334	-	4,352	4,173
		<u>2,743</u>	<u>2,334</u>	<u>-</u>	<u>5,077</u>	<u>4,496</u>
Current liabilities	13	<u>(466)</u>	<u>(41)</u>	<u>-</u>	<u>(507)</u>	<u>(407)</u>
Net current assets		<u>2,277</u>	<u>2,293</u>	<u>-</u>	<u>4,570</u>	<u>4,089</u>
Total assets less liabilities		<u>4,545</u>	<u>4,098</u>	<u>47,386</u>	<u>56,029</u>	<u>56,041</u>
Funds						
Capital funds:						
Endowment funds	14	-	-	47,386	47,386	48,008
Income funds:						
Restricted funds	15	-	4,098	-	4,098	3,211
Designated funds	16	1,388	-	-	1,388	1,471
General funds		3,157	-	-	3,157	3,351
		<u>4,545</u>	<u>4,098</u>	<u>47,386</u>	<u>56,029</u>	<u>56,041</u>

The notes on pages 47 to 67, and the accounting policies on pages 35 to 42 form part of these financial statements.

The financial statements were approved by the Chapter at their meeting on 7 September 2023 and are signed on their behalf by:


The Very Reverend Catherine Ogle - Dean

Winchester Cathedral
Balance Sheet - Cathedral only
as at 31 March 2023

		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Note	2023	2023	2023	2023	2022
		£000	£000	£000	£000	£000
Fixed assets						
Investment assets						
Property	8	84	-	18,514	18,598	19,771
Listed and similar investments	9	1,387	-	6,031	7,418	7,875
		<u>1,471</u>	<u>-</u>	<u>24,545</u>	<u>26,016</u>	<u>27,646</u>
Non-investment assets						
Property	10	527	1,240	21,741	23,508	23,087
Plant & equipment	11	46	265	-	311	68
		<u>573</u>	<u>1,505</u>	<u>21,741</u>	<u>23,819</u>	<u>23,155</u>
Total fixed assets		<u>2,044</u>	<u>1,505</u>	<u>46,286</u>	<u>49,835</u>	<u>50,801</u>
Current assets						
Stocks		2	-	-	2	-
Debtors	12	1,067	-	-	1,067	427
Cash at bank and in hand		1,991	2,334	-	4,325	4,114
		<u>3,060</u>	<u>2,334</u>	<u>-</u>	<u>5,394</u>	<u>4,541</u>
Current liabilities	13	(351)	(41)	-	(392)	(362)
Net current assets		<u>2,709</u>	<u>2,293</u>	<u>-</u>	<u>5,002</u>	<u>4,179</u>
Total assets less liabilities		<u>4,753</u>	<u>3,798</u>	<u>46,286</u>	<u>54,837</u>	<u>54,980</u>
Funds						
Capital funds:						
Endowment funds	14	-	-	46,286	46,286	46,908
Income funds:						
Restricted funds	15	-	3,798	-	3,798	3,211
Designated funds	16	1,388	-	-	1,388	1,471
General fund		3,365	-	-	3,365	3,390
		<u>4,753</u>	<u>3,798</u>	<u>46,286</u>	<u>54,837</u>	<u>54,980</u>

The notes on pages 47 to 67, and the accounting policies on pages 35 to 42 form part of these financial statements.

The financial statements were approved by the Chapter at their meeting on 7 September 2023 and are signed on their behalf by:


The Very Reverend Catherine Ogle - Dean

Winchester Cathedral
Consolidated cash flow statement
for the year to 31 March 2023

	2023 £000	2023 £000	2022 £000	2022 £000
<u>Reconciliation of net income / (expenditure) before investment losses to net cash used in operating activities</u>				
Net income / (expenditure) before investment gains	717		(222)	
Adjusted for:				
Income from property and investments	(959)		(983)	
Property management costs and investment manager costs	79		(44)	
Depreciation charges	92		57	
	(71)		(1,192)	
(Increase) / decrease in stocks	(21)		48	
(Increase) / decrease in debtors	(381)		911	
Increase / (decrease) in creditors	100		(19)	
Net cash used in operating activities		(373)		(252)
<u>Other cash flows</u>				
Cash flows from investing activities				
Rents received net of costs	595		756	
Interest and dividends received net of costs	286		271	
Purchase of tangible fixed assets	(836)		(45)	
Purchase of investments	(16)		-	
Proceeds from disposal of investment property	525		(212)	
Proceeds from disposal of investments	-		196	
Net cash provided by investing activities		554		966
Change in cash and cash equivalents		181		714
<u>Analysis of cash and cash equivalents and changes in net liquid funds</u>				
	At 1			At 31
	April	Cash		March
	2022	flow		2023
	£000	£000		£000
Cash at bank and in hand	4,173	181		4,354
Cash and cash equivalents and net liquid funds	4,173	181		4,354

The notes on pages 39 to 59, and the accounting policies on pages 28 to 34 form part of these financial statements.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023

I Income

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	2023	2023	2023	2023	2022
	£000	£000	£000	£000	£000
Donations and legacies					
Congregational collections and giving	72	-	-	72	58
Donations	263	102	-	365	292
Income from appeals and fundraising	103	51	-	154	72
Tax recoverable under Gift Aid	122	-	-	122	116
Legacies	30	56	-	86	99
	<u>590</u>	<u>209</u>	<u>-</u>	<u>799</u>	<u>637</u>
Grants receivable					
Church Commissioners	75	166	-	241	235
Coronavirus Job Retention Scheme grants	-	-	-	-	4
Cultural Recovery Fund grants	-	-	-	-	16
Friends and Winchester Cathedral Trust grants	-	583	-	583	111
Other revenue and capital grants	40	640	-	680	82
	<u>115</u>	<u>1,389</u>	<u>-</u>	<u>1,504</u>	<u>448</u>
Charges and fees arising in the course of charitable activities					
Facility and other fees	320	-	-	320	206
Trading activities					
Charges to visitors	900	-	-	900	708
Gross income of shop, café and other trading activities	1,571	-	-	1,571	1,229
Other income	-	-	-	-	38
	<u>2,471</u>	<u>-</u>	<u>-</u>	<u>2,471</u>	<u>1,975</u>
Investments					
Income from investment property	614	-	-	614	645
Income from listed and similar investments	64	-	281	345	338
Bank interest	6	-	-	6	-
	<u>684</u>	<u>-</u>	<u>281</u>	<u>965</u>	<u>983</u>
Total income	<u>4,180</u>	<u>1,598</u>	<u>281</u>	<u>6,059</u>	<u>4,249</u>

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

2 Income and expenditure from trading subsidiaries

a) Winchester Cathedral Enterprises Limited

Winchester Cathedral Enterprises Limited is a wholly owned subsidiary which is incorporated in England and Wales, Registered Company No. 2100067. The company operates a retail shop, a cafe, the Cathedral box office, and the organisation of functions and events including the Christmas market. A summary of the trading results for the year, which have been consolidated into Chapter accounts, are shown below.

	2023 £000	2022 £000
Trading income	1,571	1,228
Grants received	300	-
Turnover	1,871	1,228
Cost of sales	(690)	(683)
Gross profit	1,181	545
Other operating charges	(640)	(323)
Profit for the financial year	541	222
The net assets of Winchester Cathedral Enterprises Limited at 31 March 2023	678	536

In 2023, £411,297 of the taxable profits of Winchester Cathedral Enterprises Limited were donated to the Cathedral in accordance with a deed of covenant. In 2022, a gift of £62,000 was made.

In 2022-23, the subsidiary was charged a share of the Cathedral's central overheads of £295,000 (2022: nil) representing the services that the Cathedral performs on its subsidiary's behalf.

b) Winchester Cathedral Box Office Limited

Winchester Cathedral Box Office Limited was a wholly owned subsidiary, incorporated in England and Wales, Registered Company No. 5945638. It had been dormant for several years and was liquidated on 25 July 2023.

3 Cost of generating funds

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023 £000	2023 £000	2023 £000	2022 £000
Costs of facilities for visitors	191	-	191	175
Costs of services directly recoverable	21	-	21	14
Gross costs of shop, café and other trading activities	1,035	-	1,035	1,007
General marketing costs	294	7	301	306
Costs of appeals and fundraising	121	24	145	116
Investment property costs	19	-	19	(111)
Investment managers' fees	59	-	59	67
	1,740	31	1,771	1,574

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

4 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2023	2023	2023	2022
	£000	£000	£000	£000
Ministry				
Clergy stipends and working expenses	59	135	194	181
Clergy housing costs	37	-	37	32
Clergy support costs	49	-	49	69
Services and music	1,156	317	1,473	1,055
	1,301	452	1,753	1,337
Cathedral and precincts upkeep				
Major repairs and restoration	257	-	257	249
Maintenance and interior upkeep	587	39	626	458
Cathedral insurance	137	-	137	133
Precincts, security and gardens upkeep	305	18	323	301
	1,286	57	1,343	1,141
Education and outreach				
Educational activities	124	-	124	132
Archives and library	46	-	46	22
Charitable and other giving	-	3	3	12
	170	3	173	166
Other expenditure				
Cathedral Projects	2	-	2	42
Irrecoverable VAT	53	-	53	(22)
Governance costs	247	-	247	233
	302	-	302	253
Total expenditure on charitable activities	3,059	512	3,571	2,897

5 Expenditure analysis

	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	2023	2023	2023	2022	2022	2022
	£000	£000	£000	£000	£000	£000
Costs of generating funds	1,606	165	1,771	1,404	170	1,574
Ministry	1,466	287	1,753	1,022	315	1,337
Cathedral and precincts upkeep	1,136	207	1,343	881	260	1,141
Education and outreach	140	33	173	122	44	166
Other expenditure on mission	302	-	302	253	-	253
	4,650	692	5,342	3,682	789	4,471

6 Governance costs

	2023	2022
	£000	£000
Auditor's remuneration:		
Audit services	23	21
Taxation services	2	2
Governance and strategic planning	222	210
	247	233

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

7 Employees

Staff costs during the year were as follows:

	2023	2022
	£000	£000
Cathedral and WCEL staff costs		
Salaries and stipends	2,076	1,934
Social security costs	175	161
Other pension costs	144	128
	<u>2,395</u>	<u>2,223</u>
Reimbursed staff costs		
Salaries and stipends	12	10
Social security costs	1	1
Other pension costs	1	1
	<u>14</u>	<u>12</u>
Total staff costs	<u>2,409</u>	<u>2,235</u>

The average number of employees during the year was as follows:

	2023 total Average number	2023 total Full Time Equivalent	2022 total Average number	2022 total Full Time Equivalent
Cathedral staff	33	17	30	14
Administration	19	16	17	17
Education	2	2	2	2
Maintenance	13	13	12	12
Shop, Refectory & Events	13	7	11	7
Visitor services	10	6	8	5
	<u>90</u>	<u>61</u>	<u>80</u>	<u>57</u>

The numbers of employees whose earnings were greater than £60,000, are as follows:

Band	2023 No of employees	2022 No of employees
£60,000 to £69,999	2	3
£80,000 to £89,999	1	1

No non-executive members of Chapter received remuneration during the year (2022: Nil).

The remuneration and pension provision of the clerical members of the Chapter are paid in accordance with the scales laid down by the Archbishops' Council, the Church of England Pensions Board and the Church Commissioners.

A total of £2,661 (2022: £2,662) was reimbursed to six members of the Chapter during the year in respect of travelling and other out of pocket expenses.

Included in staff costs are payments relating to the termination of staff contracts totalling £17,672 in respect of two employees.

The total remuneration of Key Management personnel, including employer's national insurance and pension contributions was £340,156 (2022 £317,141). For the purpose of this disclosure, Key Management personnel comprises the members of Chapter, The Chief Operating Officer, and the Chief Finance Officer.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

8 Investment property

Consolidated and Cathedral	Total funds
	£000
Valuation	
At 1 April 2022	19,771
Change in use to non-investment property (note 10)	(545)
Disposal	(525)
Change in market value	(131)
At 31 March 2023	18,598

The properties were revalued as at 31 March 2019 by Messrs Carter Jonas LLP, a firm regulated by the Royal Institute of Chartered Surveyors, on the basis of market value. As at 31 March 2023 Chapter carried out an interim valuation of the properties using published indices as a guide.

9 Listed and similar investments

	Total funds
	£000
Listed investments at market value 1 April 2022	7,865
Additions	17
Realised and unrealised losses	(474)
Listed investments at market value at 31 March 2023 (consolidated)	7,408
Investments in subsidiary companies at cost	10
Listed and similar investments at 31 March 2023 (Cathedral)	7,418

	2023	2022
	£000	£000
Cost of listed investments as at 31 March	6,833	6,816

Analysis of investments by type	2023	2022
	£000	£000
Investments listed on a stock exchange	5,058	5,393
Other managed funds including common investment funds and Charity Authorised Investment funds	2,350	2,472
	7,408	7,865
Shares in subsidiary companies	10	10
	7,418	7,875

The Chapter owns directly the whole of the issued share capital of Winchester Cathedral Enterprises Limited.
The Chapter invests in pooled funds, in which no individual investment exceeds 5% of the total portfolio.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

10 Non-investment property

Consolidated	Total funds
	£000
Valuation	
At 1 April 2022	24,187
Change in use from investment property (note 8)	545
Change in market value	(124)
At 31 March 2023	24,608

Cathedral	Total funds
	£000
Valuation	
At 1 April 2022	23,087
Change in use to investment property (note 8)	545
Change in market value	(124)
At 31 March 2023	23,508

Non-investment properties are held and used as follows:

	Freehold	Freehold
	At 31	At 31
	March 2023	March 2022
	£000	£000
For Cathedral administration and workshops	1,734	1,736
For Cathedral clergy and staff housing	15,713	15,263
For the Deanery	3,346	3,367
For the education centre	2,379	2,385
Leased to Winchester Cathedral Enterprises Limited	336	336
Cathedral total	23,508	23,087
For Cathedral trading activities	1,100	1,100
Consolidated total	24,608	24,187

The properties were revalued as at 31 March 2019 by Messrs Carter Jonas LLP, a firm regulated by the Royal Institute of Chartered Surveyors, on the basis of existing use. On 31 March 2023 Chapter carried out an interim valuation of the properties using published indices as a guide.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

11 Cathedral plant and equipment

	Consolidated £000	Chapter £000
Cost		
At 1 April 2022	428	160
Additions	808	297
At 31 March 2023	1,236	457
Depreciation		
At 1 April 2022	299	92
Charge for the year	92	54
At 31 March 2023	391	146
Net book value		
At 31 March 2023	845	311
At 31 March 2022	129	68

In the year to 31 March 2023, the project to restore the 1854 'Father Willis' organ commenced and incurred £293,000 (2022: nil). In accordance with the Cathedral's accounting policy, which is to regard the organ as integral to the cathedral building, not subject to independent valuation and primarily used in the mission of the Cathedral church, these costs were written off as incurred.

12 Debtors

	Consolidated	Consolidated	Chapter	Chapter
	2023	2022	2023	2022
	£000	£000	£000	£000
Winchester Cathedral Enterprises Limited*	-	-	728	189
Trade debtors	238	156	119	131
Social security and other taxes	36	44	59	44
Grants receivable	200	-	-	-
Legacies receivable	39	15	39	15
Other debtors	5	27	4	26
Prepayments	31	23	21	22
Accrued income - Gift Aid receivable	97	-	97	-
	646	265	1,067	427

* In the final quarter of the year to 31 March 2023, Chapter advanced £172,000 to Winchester Cathedral Enterprises Limited to finance part of the Café refurbishment. On 1 April 2023, this amount was transferred to a loan bearing interest at 1% point above National Westminster Bank base rate. The loan is repayable by 31 March 2033 but may be repaid in full or in part at any time before then at the borrower's discretion.

13 Current liabilities

	Consolidated	Consolidated	Chapter	Chapter
	2023	2022	2023	2022
	£000	£000	£000	£000
Expense creditors	249	92	180	90
Social security and other taxes	42	47	39	39
Other creditors	24	111	23	97
Accruals	192	157	150	136
	507	407	392	362

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

14(a) Endowment funds - Analysis by fund

	At 1 April 2022	Investment losses in year	At 31 March 2023
	£000	£000	£000
Appeal fund:			
Fabric	2,405	(134)	2,271
Music	71	-	71
Staff	25	-	25
	<hr/>	<hr/>	<hr/>
Music	2,501	(134)	2,367
Properties revaluation	3,194	(172)	3,022
Permanent endowment	39,877	(251)	39,626
John and Kathleen Kyle Ford Memorial Fund for Lay Clerks	1,217	(65)	1,152
Roger Bruce Ellery	80	-	80
	39	-	39
	<hr/>	<hr/>	<hr/>
Chapter total	46,908	(622)	46,286
Revaluation of subsidiary's property	1,100	-	1,100
Consolidated total	48,008	(622)	47,386

14(b) Endowment funds - Total Return

Consolidated and Cathedral

	Investment Fund 2023 £000	Unapplied Total Return 2023 £000	Total 2023 £000	Investment Fund 2022 £000	Unapplied Total Return 2022 £000	Total 2022 £000
At 1 April	3,143	3,246	6,389	3,143	2,844	5,987
Investment income	-	281	281	-	275	275
Net revaluation (losses)/ gains	-	(371)	(371)	-	402	402
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,143	3,156	6,299	3,143	3,521	6,664
Unapplied total return allocated to income	-	(281)	(281)	-	(275)	(275)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	3,143	2,875	6,018	3,143	3,246	6,389

Endowment Funds - Total return investment policy

The Church of England (Miscellaneous Provisions) Measure 2014 permitted cathedrals to adopt a 'total return' approach to investments within endowment funds. Chapter has resolved to apply this approach to the equity and bond investments within endowment funds. This approach to investments leaves the original cost of the endowment in an Investment Fund and any subsequent revaluation gains and undistributed income as Unapplied Total Return. The determination of the Investment Fund was estimated by reference to the cost of investments at 31 March 1995 plus the cost of additions thereafter.

The investment income and revaluation gains or losses for the year have been credited or debited to the Unapplied Total Return. Chapter resolved to transfer an amount equal to the investment income to the General Fund in the year to support the general activities of the Cathedral.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

15 Restricted funds

Consolidated and Chapter

	At 1 April 2022	Income	Expenditure	Transfers to unrestricted funds	At 31 March 2023
	£000	£000	£000	£000	£000
Chapter					
AEV Day deceased	442	-	-	(75)	367
Wessex Centre	1,247	-	-	-	1,247
Restricted fixed assets	-	344	(23)	-	321
Fabric	702	56	-	-	758
Covid Recovery Fund	62	-	-	-	62
Organ	366	583	(293)	-	656
General Fabric	121	-	-	-	121
Tim Pride Choir Fund	68	-	-	(8)	60
Fabric and worship	45	9	-	(9)	45
Cathedral charitable	31	-	(3)	-	28
Library	31	-	(1)	-	30
Gardens	26	31	(18)	(15)	24
Thomas-Davies	11	-	-	-	11
Tower repairs	12	-	-	-	12
Deanery River Garden	7	-	-	-	7
Textiles	9	5	(11)	-	3
Woodhouse Trust	5	-	-	-	5
Clergy stipends	-	135	(135)	-	-
Choirs	-	51	-	(51)	-
Cathedral sustainability	-	31	(31)	-	-
Cathedral collections inventory	-	10	-	(10)	-
Others under £5,000	26	43	(28)	-	41
Total Restricted funds (Chapter)	3,211	1,298	(543)	(168)	3,798
Winchester Cathedral Enterprises Limited - restricted fixed assets	-	300	-	-	300
Total Restricted funds (Consolidated)	3,211	1,598	(543)	(168)	4,098

A.E.V. Day Deceased - Established by legacy. This fund is restricted to Cathedral Fabric.

Wessex Centre - Fund is represented by the element of the Wessex Centre funded by restricted grants.

Restricted fixed assets - Fund comprises unamortised value of assets acquired by restricted grants and donations.

Fabric - Funds restricted to the working repair and conservation of the Fabric of the Cathedral.

Covid Recovery Fund - Funds for wages and capital expenditure at the Cathedral to support recovery following the pandemic.

Organ - Funds to repair and maintain the Organ. These costs are being written off as incurred in the Organ Restoration Project which commenced in 2022-23 and is expected to be substantially complete by 31 March 2024.

General Fabric - Funds restricted to the working repair and conservation of the Cathedral estate.

Tim Pride Choir Fund - Funds to support the costs of the boy choristers.

Fabric and worship - Funds restricted to the internal fabric relating to worship and liturgy in the Cathedral.

Cathedral charitable - Fund restricted to support other charitable causes.

Library - Funds for expenditure on the Library. Income augmented from time to time by restricted donations.

Gardens - Funds for gardening equipment and grounds maintenance.

Thomas-Davies - A fund to be used at the discretion of the Dean and the Chief Operating Officer to meet the special needs and welfare of the Virgers and Lay Clerks.

Tower repairs - Funds to repair and maintain the tower.

Deanery River Garden - Funds restricted to the repair and maintenance of the Deanery River Garden.

Textiles - Funds restricted to vestments and repairs to textiles in the Cathedral, including the work of the Broderers.

Woodhouse Trust - Funds restricted to sound and light in the Cathedral.

Others under £5,000 - Monies given for specific activities or projects that are not substantial in balance, income or expenditure.

Clergy stipends - Support from Church Commissioners for clergy costs.

Choirs - Support for choirs by the Friends of Winchester Cathedral.

Cathedral sustainability - Projects designed to develop the financial sustainability of the Cathedral.

Cathedral collections inventory - Supporting the development and maintenance of an inventory of the Cathedral collections.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

16 Designated funds

Consolidated and Cathedral

	At 1 April 2022 £000	Designated /(released) £000	At 31 March 2023 £000
Designated Funds			
Chamber Choir	2	-	2
Estate conservation and development	591	(77)	514
Organ	45	-	45
Collections	38	-	38
Cathedral projects	795	(6)	789
Total Designated funds	1,471	(83)	1,388

Chamber Choir - Funds for the Chamber Choir.

Estate conservation and development - funds for the conservation of the historic buildings and development of the estate.

Organ - Funds to repair and maintain the Organ.

Collections - Funds for acquisitions to, or the conservation and care of, items in the Cathedral's collections.

Cathedral projects - Funds for completion of remaining projects under the last fundraising campaign.

17 Capital commitments

There were no capital commitments as at 31 March 2023 or 31 March 2022.

18 Contingent liabilities

The Chapter is aware of its obligations in relation to Chancel liabilities. Since January 2019, the Church Commissioners agreed to increase their grant to 100% of any liability, and have taken on the management and administration of this work.

Chapter is also aware of its obligations to maintain some of the medieval walls surrounding the Cathedral grounds and is embarking on a plan for scheduled maintenance with £10,000 budgeted in 2023/24.

Winchester Cathedral

Notes to the financial statements

for the year to 31 March 2023 (continued)

19 Pension schemes

Winchester Cathedral participates in the Pension Builder Scheme and the Defined Benefits Scheme (DBS) section of the Church Workers' Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Pension Builder Scheme, which has two subsections;
 - a. A deferred annuity section known as Pension Builder Classic; and,
 - b. A cash balance section known as Pension Builder 2004.
2. the Defined Benefits Scheme

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2023: £121k, 2022: £110k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Winchester Cathedral could become responsible for paying a share of the failed employer's pension liabilities.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of Winchester Cathedral and the other participating employers. It provides benefits for lay staff based on final pensionable salaries. This scheme is closed to new members.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns. The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £7k, 2022: £7k) plus the figures in relation to the DBS deficit noted in the table below as being recognised in the SoFA, giving a total credit of £26k for 2023 (2022: charge: £48k).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section.

This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m. Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 41.7% of pensionable salary and expenses of £4,100 per year. In addition deficit payments of £23,145 per year had been agreed for 3.33 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

19 Pension schemes (cont'd)

The next actuarial valuation is due as at 31 December 2022. Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers, including Winchester Cathedral, whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability in the Cathedral's financial statements at 31 March 2023, although a liability had been recognised at earlier dates. The movement in the provision is set out below:

	2023	2022
	£000	£000
Balance sheet liability at 1 April	56	38
Deficit contribution paid	(23)	(23)
Remaining change to the balance sheet liability* (recognised in SOFA)	(33)	41
Balance sheet liability at 31 March	-	56

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	Dec-22	Dec-21	Dec-20
Discount rate	0.00%	1.30%	0.30%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

Other Pension Schemes

In addition Chapter operates a stakeholder Pension Scheme with Aviva, administered by Lucas Fettes. This scheme is closed to new members. The pension costs charged to the Statement of Financial Activities in the year are contributions payable (2023 : £13,000, 2022 : £13,000).

20 Connected entities

Individual members of the Chapter are involved with, and serve on all or some of the boards of The Winchester Cathedral Trust, The Carl Klein Trust, and the Friends of Winchester Cathedral. However, the Chapter does not have day to day control over any of these charities.

The Friends of Winchester Cathedral

This association exists to assist the Chapter in maintaining the fabric, monuments and the fittings and furnishings of the Cathedral and its associated ground-works within the precincts (excluding property used for residential or administrative purposes), to stimulate interest in the Cathedral and to support activities to preserve the Cathedral, its history and music.

The Winchester Cathedral Trust

The Charity's objects are to raise funds and receive donations to apply to any charitable purpose connected with Winchester Cathedral. This includes the general upkeep of the Cathedral and the improvement and repair of all other buildings in the Cathedral Close, and the receipt and distribution of funds raised to meet the costs of choristers.

The Carl Klein Trust

The Charity's objects are to maintain and promote the Cathedral Choir by the provision of financial assistance to lay clerks and prospective lay clerks of Winchester Cathedral who are in need or are suffering hardship.

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

20 Connected entities (cont'd)

The most recently published summarised results of these entities are as follows:-

	The Friends of Winchester Cathedral 31-Mar-23 £000	The Winchester Cathedral Trust 31-Mar-23 £000	The Carl Klein Trust 31-Mar-23 £000
Total Income	537	151	-
Net income (expenditure) for the year	199	(68)	(11)
Net movement in funds	163	(68)	(11)
Amounts paid or payable to the Cathedral	262	203	-
Gross Assets	856	644	665
Net Assets	779	630	661

The above accounts of The Winchester Cathedral Trust, and the Friends of Winchester Cathedral have been subject to an audit or independent examination under the Charities Act 2011. Only income receivable from the above connected entities has been included in these financial statements.

The Pilgrims' School

The Pilgrims' School is an independent company limited by guarantee whose member is the Chapter. It operates independently of the Cathedral and provides choristers for the Cathedral choir, for which the Cathedral contributes to their educational fees. The School leases its premises from the Cathedral pursuant to a lease under which rent is paid on an arm's length basis. The School's results have not been consolidated and no financial results for the year have been reproduced as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral.

21 Related party transactions

During the year the Chapter received £100,000 (2022: £3,000) and Winchester Cathedral Enterprises Ltd received £100,000 (2022: nil) in grants from The Winchester Cathedral Trust.

During the year the Chapter received £483,000 (2022: £108,000) in grants and £1,000 (2022: £1,000) in rent from The Friends of Winchester Cathedral.

During the year the Chapter received £155,000 (2022: £155,000) from The Pilgrims' School in respect of rent, £nil (2022: £49,000) for dilapidations on a property and £nil in respect of sundry recharges (2022: £2,000).

During the year the Chapter paid £256,000 (2022: £232,000) in respect of Choristers' school fees to The Pilgrims' School.

During the year the Chapter paid £nil (2022: £247) to Sophie Hacker, the wife of a Chapter member Canon Roland Riem, in respect of expenditure on arts and exhibitions.

There were no other related party transactions requiring disclosure (2022 - none).

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives

Consolidated statement of financial activities

		Unrestricted	Restricted	Endowment	Total
		funds	funds	funds	funds
Note	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	1	537	100	-	637
Grants receivable	1	38	410	-	448
Charges and fees arising in the course of charitable activities	1	206	-	-	206
Trading Activities	1	1,975	-	-	1,975
Investments	1	708	-	275	983
Total income		3,464	510	275	4,249
Expenditure on:					
Cost of generating funds	3	1,574	-	-	1,574
Charitable activities:					
Ministry	4	898	439	-	1,337
Cathedral and precincts upkeep	4	1,009	132	-	1,141
Education and outreach	4	136	30	-	166
Other expenditure on charitable activities	4	253	-	-	253
Total expenditure		3,870	601	-	4,471
Net (expenditure)/Income before investments gains	5	(406)	(91)	275	(222)
Net gains on investments					
Properties	8	44	-	2,134	2,178
Listed and similar investments	9	91	-	402	493
Total net gains on investments		135	-	2,536	2,671
Net (expenditure) / income before transfers		(271)	(91)	2,811	2,449
Total return transfer	14	275	-	(275)	-
Other transfers between funds	15	481	(481)	-	-
Net income / (expenditure)		485	(572)	2,536	2,449
Other recognised gains:					
Gains on the revaluation of non-investment property	10	105	-	3,750	3,855
Net movement in funds		590	(572)	6,286	6,304
Reconciliation of funds:					
Total funds brought forward		4,232	3,783	41,722	49,737
Total funds carried forward		4,822	3,211	48,008	56,041

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Consolidated balance sheet

		Unrestricted	Restricted	Endowment	Total
		funds	funds	funds	funds
	Note	2022	2022	2022	2022
		£000	£000	£000	£000
Fixed assets					
Investment assets					
Property	8	609	-	19,162	19,771
Listed and similar Investments	9	1,436	-	6,429	7,865
		<u>2,045</u>	<u>-</u>	<u>25,591</u>	<u>27,636</u>
Non-investment assets					
Property	10	530	1,240	22,417	24,187
Plant & equipment	11	129	-	-	129
		<u>659</u>	<u>1,240</u>	<u>22,417</u>	<u>24,316</u>
		<u>2,704</u>	<u>1,240</u>	<u>48,008</u>	<u>51,952</u>
Total fixed assets					
Current assets					
Stocks		58	-	-	58
Debtors	12	265	-	-	265
Cash at bank and in hand		2,202	1,971	-	4,173
		<u>2,525</u>	<u>1,971</u>	<u>-</u>	<u>4,496</u>
Current liabilities	13	(407)	-	-	(407)
		<u>2,118</u>	<u>1,971</u>	<u>-</u>	<u>4,089</u>
Net current assets					
		<u>4,822</u>	<u>3,211</u>	<u>48,008</u>	<u>56,041</u>
Total assets less total liabilities					
Funds					
Capital funds:					
Endowment funds	14	-	-	48,008	48,008
Income funds:					
Restricted funds	15	-	3,211	-	3,211
Designated funds	16	1,471	-	-	1,471
General fund		3,351	-	-	3,351
		<u>4,822</u>	<u>3,211</u>	<u>48,008</u>	<u>56,041</u>

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Balance Sheet - Cathedral only

		Unrestricted funds	Restricted funds	Endowment funds	Total funds
	Note	2022 £000	2022 £000	2022 £000	2022 £000
Fixed assets					
Investment assets					
Property	8	609	-	19,162	19,771
Listed and similar Investments	9	1,446	-	6,429	7,875
		2,055	-	25,591	27,646
Non-investment assets					
Property	10	530	1,240	21,317	23,087
Plant & equipment	11	68	-	-	68
		598	1,240	21,317	23,155
Total fixed assets		2,653	1,240	46,908	50,801
Current assets					
Stocks		-	-	-	-
Debtors	12	427	-	-	427
Cash at bank and in hand		2,143	1,971	-	4,114
		2,570	1,971	-	4,541
Current liabilities	13	(362)	-	-	(362)
Net current assets		2,208	1,971	-	4,179
Total assets less total liabilities		4,861	3,211	46,908	54,980
Funds					
Capital funds:					
Endowment funds	14	-	-	46,908	46,908
Income funds:					
Restricted funds	15	-	3,211	-	3,211
Designated funds	16	1,471	-	-	1,471
General fund		3,390	-	-	3,390
		4,861	3,211	46,908	54,980

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Notes to the Comparative Accounts

1 Income

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Donations and legacies				
Congregational collections and giving	46	12	-	58
Donations	271	21	-	292
Income from appeals and fundraising	18	54	-	72
Tax recoverable under Gift Aid	116	-	-	116
Legacies	86	13	-	99
	<u>537</u>	<u>100</u>	<u>-</u>	<u>637</u>
Grants receivable				
Church Commissioners	-	235	-	235
Coronavirus Job Retention Scheme grants	4	-	-	4
Cultural Recovery Fund grants	16	-	-	16
Friends and Winchester Cathedral Trust grants	-	111	-	111
Other revenue and capital grants	18	64	-	82
	<u>38</u>	<u>410</u>	<u>-</u>	<u>448</u>
Charges and fees arising in the course of charitable activities				
Facility and other fees	206	-	-	206
Income from activities generating funds				
Charges to visitors	708	-	-	708
Gross income of shop, café and other trading activities	1,229	-	-	1,229
Other Income	38	-	-	38
	<u>1,975</u>	<u>-</u>	<u>-</u>	<u>1,975</u>
Income from investments				
Income from investment property	645	-	-	645
Income from listed and similar investments	63	-	275	338
	<u>708</u>	<u>-</u>	<u>275</u>	<u>983</u>
Total income	<u>3,464</u>	<u>510</u>	<u>275</u>	<u>4,249</u>

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Notes to the Comparative Accounts

4 Expenditure on charitable activities

Ministry

Clergy stipends and working expenses
Clergy housing costs
Clergy support costs
Services and music

Unrestricted funds	Restricted funds	Total funds
2022	2022	2022
£000	£000	£000
43	138	181
32	-	32
69	-	69
754	301	1,055
898	439	1,337

Cathedral and precincts upkeep

Major repairs and restoration
Maintenance and interior upkeep
Cathedral insurance
Precincts, security and gardens upkeep

230	19	249
389	69	458
133	-	133
257	44	301
1,009	132	1,141

Education and outreach

Educational activities
Archives and library
Charitable and other giving

114	18	132
22	-	22
-	12	12
136	30	166

Other expenditure on charitable activities

Cathedral Projects
Irrecoverable VAT
Governance costs

42	-	42
(22)	-	(22)
233	-	233
253	-	253

Total expenditure on charitable activities

2,296	601	2,897
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Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Notes to the Comparative Accounts

14a Endowment funds

Chapter

	At 1 April 2021 £000	Investment gains in the year £000	At 31 March 2022 £000
Appeal fund:			
Fabric	2,260	145	2,405
Music	71	-	71
Staff	25	-	25
	<hr/>	<hr/>	<hr/>
	2,356	145	2,501
Music	3,009	185	3,194
Properties revaluation	33,992	5,885	39,877
Permanent endowment	1,146	71	1,217
John and Kathleen Kyle Ford Memorial Fund for Lay Clerks	80	-	80
Roger Bruce Ellery	39	-	39
	<hr/>	<hr/>	<hr/>
Cathedral total	40,622	6,286	46,908
Revaluation of subsidiary's property	1,100	-	1,100
	<hr/>	<hr/>	<hr/>
Consolidated total	41,722	6,286	48,008

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Notes to the Comparative Accounts

15 Restricted funds

Consolidated and Chapter

	At 1 April 2021 £000	Net income/ (expenditure) £000	At 31 March 2022 £000
AEV Day deceased	502	(60)	442
Wessex Centre	1,247	-	1,247
Fabric	691	11	702
Covid Recovery Fund	567	(505)	62
Organ	371	(5)	366
General Fabric	120	1	121
Tim Pride Choir Fund	75	(7)	68
Fabric and worship	45	-	45
Cathedral charitable	31	-	31
Library	31	-	31
Gardening fund	30	(4)	26
Globe	5	-	5
Thomas-Davies	11	-	11
Girls' choir	3	(1)	2
Tower repairs	8	4	12
Deanery River Garden	7	-	7
Epiphany Chapel	4	-	4
Venerable Altar/ Swags	5	-	5
Textiles	-	9	9
Woodhouse Trust	5	-	5
Others under £5,000	25	(15)	10
	<u>3,783</u>	<u>(572)</u>	<u>3,211</u>

AEV Day Deceased - Established by legacy. This fund is restricted to Fabric offsetting costs of Cathedral maintenance and conservation.

Wessex Centre - This fund is represented by the element of the Wessex Centre funded by restricted grants.

Fabric - Funds restricted to the working repair and conservation of the fabric of the Cathedral

Covid Recovery Fund - Funds for wages and capital expenditure at the Cathedral to support recovery following the pandemic.

Organ - Funds to repair and maintain the Organ

General Fabric - Funds restricted to the working repair and conservation of the Cathedral estate

Tim Pride Choir Fund - Funds to support the costs of the boy choristers.

Fabric and worship - Funds restricted to the internal fabric relating worship and liturgy in the Cathedral

Cathedral charitable - Income provided by donation to the Cathedral to support other charitable causes

Library - Funds for expenditure on the Library. Income augmented from time to time by restricted donations.

Gardening fund - Funds for gardening equipment.

Globe - Funds for renovation of the Globes in the Morley library

Thomas-Davies - A fund to be used at the discretion of the Dean and the Chief Operating Officer to meet the special needs, and welfare of the Virgers and Lay Clerks.

Girls' Choir - Funds to support the Girls' choir

Tower repairs - Funds to repair and maintain the tower

Deanery River garden - Funds restricted to the repair and maintenance of the Deanery River garden

Epiphany Chapel - Funds restricted to the repair and maintenance of the Epiphany chapel

Venerable Altar / Swags - Income restricted to the repair and maintenance of the Venerable Altar, Icons and Swags

Textiles - Funds restricted to vestments and repairs to textiles in the Cathedral, including the work of the Broderers.

Woodhouse Trust - Funds restricted to sound and light in the Cathedral

Others under £5,000 - Monies given for specific activities or projects that are not substantial in balance, income or expenditure

Winchester Cathedral
Notes to the financial statements
for the year to 31 March 2023 (continued)

22 Prior year comparatives (continued)

Notes to the Comparative Accounts

16 Designated funds

Consolidated and Chapter

	At 1 April 2021 £000	Designated / (released) £000	At 31 March 2022 £000
Designated Funds			
Chamber choir	2	-	2
Estate conservation and development	321	270	591
Organ	46	(1)	45
Collections	-	38	38
Cathedral Projects	836	(41)	795
Total Designated funds	1,205	266	1,471

Chamber Choir - Funds for the Chamber Choir.

Estate conservation and development - funds for the conservation of the historic buildings and development of the estate.

Organ - Funds to repair and maintain the Organ.

Collections - Funds for acquisitions to, or the conservation and care of, items in our collections.

Cathedral projects - Funds for completion of remaining projects under the last fundraising campaign.